



General Assembly

Amendment

January Session, 2017

LCO No. 8352



Offered by:

REP. ROJAS, 9th Dist.

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To: Subst. House Bill No. **7312**

File No. 762

Cal. No. 511

"AN ACT CONCERNING THE DEPARTMENT OF REVENUE SERVICES' RECOMMENDATIONS FOR STATE TAXATION AND COLLECTION AND IMPROVING TAX GAP COMPLIANCE."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 12-39h of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective July 1, 2018*):

5 [Any] Notwithstanding any instructions by the payor to the
6 contrary, [notwithstanding,] any partial payment against any tax
7 outstanding shall be applied by the Commissioner of Revenue Services
8 first to any penalties unless a waiver of penalty has been requested and
9 approved in accordance with the general statutes, and any amount in
10 excess of such penalty shall be applied first to [interest on] such tax
11 and then to the interest on such tax.

12 Sec. 2. Subparagraph (A) of subdivision (20) of subsection (a) of

13 section 12-701 of the general statutes is repealed and the following is
14 substituted in lieu thereof (*Effective July 1, 2017, and applicable to taxable*
15 *years commencing on or after January 1, 2017*):

16 (A) There shall be added thereto (i) to the extent not properly
17 includable in gross income for federal income tax purposes, any
18 interest income from obligations issued by or on behalf of any state,
19 political subdivision thereof, or public instrumentality, state or local
20 authority, district or similar public entity, exclusive of such income
21 from obligations issued by or on behalf of the state of Connecticut, any
22 political subdivision thereof, or public instrumentality, state or local
23 authority, district or similar public entity created under the laws of the
24 state of Connecticut and exclusive of any such income with respect to
25 which taxation by any state is prohibited by federal law, (ii) any
26 exempt-interest dividends, as defined in Section 852(b)(5) of the
27 Internal Revenue Code, exclusive of such exempt-interest dividends
28 derived from obligations issued by or on behalf of the state of
29 Connecticut, any political subdivision thereof, or public
30 instrumentality, state or local authority, district or similar public entity
31 created under the laws of the state of Connecticut and exclusive of
32 such exempt-interest dividends derived from obligations, the income
33 with respect to which taxation by any state is prohibited by federal
34 law, (iii) any interest or dividend income on obligations or securities of
35 any authority, commission or instrumentality of the United States
36 which federal law exempts from federal income tax but does not
37 exempt from state income taxes, (iv) to the extent included in gross
38 income for federal income tax purposes for the taxable year, the total
39 taxable amount of a lump sum distribution for the taxable year
40 deductible from such gross income in calculating federal adjusted
41 gross income, (v) to the extent properly includable in determining the
42 net gain or loss from the sale or other disposition of capital assets for
43 federal income tax purposes, any loss from the sale or exchange of
44 obligations issued by or on behalf of the state of Connecticut, any
45 political subdivision thereof, or public instrumentality, state or local
46 authority, district or similar public entity created under the laws of the

47 state of Connecticut, in the income year such loss was recognized, (vi)
48 to the extent deductible in determining federal adjusted gross income,
49 any income taxes imposed by this state, (vii) to the extent deductible in
50 determining federal adjusted gross income, any interest on
51 indebtedness incurred or continued to purchase or carry obligations or
52 securities the interest on which is exempt from tax under this chapter,
53 (viii) expenses paid or incurred during the taxable year for the
54 production or collection of income which is exempt from taxation
55 under this chapter or the management, conservation or maintenance of
56 property held for the production of such income, and the amortizable
57 bond premium for the taxable year on any bond the interest on which
58 is exempt from tax under this chapter to the extent that such expenses
59 and premiums are deductible in determining federal adjusted gross
60 income, (ix) for property placed in service after September 10, 2001, but
61 prior to September 11, 2004, in taxable years ending after September
62 10, 2001, any additional allowance for depreciation under subsection
63 (k) of Section 168 of the Internal Revenue Code, as provided by Section
64 101 of the Job Creation and Worker Assistance Act of 2002, to the
65 extent deductible in determining federal adjusted gross income, (x) to
66 the extent deductible in determining federal adjusted gross income, the
67 deduction allowable as qualified domestic production activities
68 income, pursuant to Section 199 of the Internal Revenue Code, (xi) to
69 the extent not properly includable in gross income for federal income
70 tax purposes for the taxable year, any income from the discharge of
71 indebtedness, in taxable years ending after December 31, 2008, in
72 connection with any reacquisition, after December 31, 2008, and before
73 January 1, 2011, of an applicable debt instrument or instruments, as
74 those terms are defined in Section 108 of the Internal Revenue Code, as
75 amended by Section 1231 of the American Recovery and Reinvestment
76 Act of 2009, the inclusion of which income in federal gross income for
77 the taxable year is deferred, as provided by said Section 1231, [and]
78 (xii) to the extent not properly includable in gross income for federal
79 income tax purposes, an amount equal to (I) any distribution from a
80 manufacturing reinvestment account not used in accordance with
81 subdivision (3) of subsection (c) of section 32-9zz to the extent that a

82 contribution to such account was subtracted from federal adjusted
83 gross income pursuant to clause (xix) of subparagraph (B) of this
84 subdivision in computing Connecticut adjusted gross income for the
85 current or a preceding taxable year, and (II) any return of money from
86 a manufacturing reinvestment account pursuant to subsection (d) of
87 section 32-9zz to the extent that a contribution to such account was
88 subtracted from federal adjusted gross income pursuant to clause (xix)
89 of subparagraph (B) of this subdivision in computing Connecticut
90 adjusted gross income for the current or a preceding taxable year, and
91 (xiii) to the extent not properly includable in gross income for federal
92 income tax purposes, an amount equal to any compensation required
93 to be recognized under Section 457A of the Internal Revenue Code that
94 is attributable to services performed within this state.

95 Sec. 3. Subsection (c) of section 12-409 of the general statutes is
96 repealed and the following is substituted in lieu thereof (*Effective*
97 *October 1, 2017*):

98 (c) At the time of making an initial application for a permit, the
99 applicant shall pay to the Commissioner of Revenue Services a permit
100 fee of one hundred dollars for each permit. [Any permit issued on or
101 after July 1, 1985, but prior to October 1, 2003, shall expire biennially
102 on the anniversary date of the issuance of such permit unless renewed
103 in accordance with such procedure and application form as prescribed
104 by the commissioner.] Any permit issued on or after October 1, 2003,
105 but prior to October 1, 2017, shall expire on the fifth anniversary date
106 of the issuance of such permit unless renewed in accordance with such
107 procedure and application form as prescribed by the commissioner.
108 Any permit issued on or after October 1, 2017, shall expire biennially
109 on the anniversary date of the issuance of such permit unless renewed
110 in accordance with such procedure and application form as prescribed
111 by the commissioner.

112 Sec. 4. Section 12-414 of the general statutes is repealed and the
113 following is substituted in lieu thereof (*Effective January 1, 2018*):

114 (a) The taxes imposed [by] under this chapter are due and payable
115 to the commissioner monthly on or before the last day of the month
116 next succeeding each monthly period, except that (1) every person
117 whose total tax liability for the twelve-month period ending on the
118 preceding June thirtieth was less than one thousand dollars shall remit
119 tax on an annual basis, (2) every person whose total tax liability for the
120 twelve-month period ending on the preceding June thirtieth was one
121 thousand dollars or more but less than four thousand dollars shall
122 remit tax on a quarterly basis, and [(2)] (3) every person described in
123 subdivision (2) of subsection (e) of this section shall remit tax as
124 prescribed by the commissioner under said subdivision (2).
125 ["Quarterly"] For purposes of this section, "quarterly" means a period
126 of three calendar months commencing on the first day of January,
127 April, July or October of each year or, if any seller commences business
128 on a date other than the first day of January, April, July or October, a
129 period beginning on the date of commencement of business and
130 ending on March thirty-first, June thirtieth, September thirtieth or
131 December thirty-first, respectively.

132 (b) (1) On or before the last day of the month following each
133 monthly or quarterly period, as the case may be, or on the date or
134 dates prescribed by the commissioner under subsection (e) of this
135 section, a return for the preceding period shall be filed with the
136 commissioner in such form as the commissioner may prescribe. Each
137 person obligated to remit tax on an annual basis under subdivision (1)
138 of subsection (a) of this section shall file an annual return on or before
139 January thirty-first that reports sales for the previous calendar year.

140 (2) For purposes of the sales tax, a return shall be filed by every
141 seller. For purposes of the use tax, a return shall be filed by every
142 retailer engaged in business in the state and by every person
143 purchasing services or tangible personal property, the storage,
144 acceptance, consumption or other use of which is subject to the use tax,
145 who has not paid the use tax due a retailer required to collect the tax,
146 except that every person making such purchases for personal use or
147 consumption in this state, and not for use or consumption in carrying

148 on a trade, occupation, business or profession, need file only one use
149 tax return covering purchases during a calendar year. Such return shall
150 be filed and the tax due thereon paid on or before the fifteenth day of
151 the fourth month succeeding the end of the calendar year for which
152 such return is filed. Returns shall be signed by the person required to
153 file the return or by his or her authorized agent but need not be
154 verified by oath, provided a return required to be filed by a
155 corporation shall be signed by an officer of such corporation.

156 (c) For purposes of the sales tax, the return shall show the gross
157 receipts of the seller during the preceding reporting period. For
158 purposes of the use tax, (1) in case of a return filed by a retailer, the
159 return shall show the total sales price of the services or property sold
160 by the retailer, the storage, acceptance, consumption or other use of
161 which became subject to the use tax during the preceding reporting
162 period, and (2) in case of a return filed by a purchaser, the return
163 shall show the total sales price of the service or property purchased by
164 the purchaser, the storage, acceptance, consumption or other use of
165 which became subject to the use tax during the preceding reporting
166 period. The return shall also show the amount of the taxes for the
167 period covered by the return in such manner as the commissioner may
168 require and such other information as the commissioner deems
169 necessary for the proper administration of this chapter. The
170 Commissioner of Revenue Services is authorized in his or her
171 discretion, for purposes of expediency, to permit returns to be filed in
172 an alternative form wherein the person filing the return may elect to
173 report his or her gross receipts, including the tax reimbursement to be
174 collected as provided for in this section, as a part of such gross receipts
175 or to report his or her gross receipts exclusive of the tax collected in
176 such cases where the gross receipts from sales have been segregated
177 from tax collections. In the case of the former, the percentage of such
178 tax-included gross receipts that may be considered to be the gross
179 receipts from sales exclusive of the taxes collected thereon shall be
180 computed by dividing the numeral one by the sum of the rate of tax
181 provided in section 12-408, expressed as a decimal, and the numeral

182 one.

183 (d) Returns, together with the amount of the tax due thereon, shall
184 be filed with the Commissioner of Revenue Services.

185 (e) (1) The commissioner, if he or she deems it necessary in order to
186 [insure] ensure payment to or facilitate the collection by the state of the
187 amount of taxes, may permit or require returns and payment of the
188 amount of taxes for other than monthly or quarterly periods.

189 (2) (A) For purposes of this subdivision, (i) "weekly period" means
190 the seven-day period beginning on a Saturday and ending the
191 following Friday, (ii) "financial institution" has the same meaning as
192 provided in section 36a-41, (iii) "certified service provider" means any
193 service provider certified by the Streamlined Sales Tax Governing
194 Board, Incorporated, and (iv) "account" means a transaction account in
195 the form of a deposit or share account from which the depositor is
196 permitted to make transfers or withdrawals by negotiable or
197 transferable instrument, payment orders of withdrawal, electronic
198 transfers or other similar mechanisms for the purpose of making
199 payments or transfers to third parties. "Account" includes demand
200 deposit accounts, checking accounts, negotiable order of withdrawal
201 accounts and share draft accounts.

202 (B) The commissioner may require any person who is delinquent, as
203 described in section 12-7a, to remit the tax collected during a weekly
204 period on a weekly basis. Any person who is required to remit tax for a
205 weekly period shall remit such tax to the commissioner on or before
206 the Wednesday next succeeding the weekly period and shall do so in
207 the manner and method prescribed [by the commissioner] in
208 subparagraph (C) of this subdivision.

209 (C) The requirement to remit tax on a weekly basis shall not alter a
210 person's obligation to file monthly or quarterly returns, as the case
211 may be, as provided in subsection (b) of this section. To the extent that
212 the end of one month and the beginning of the following month may
213 fall within the same weekly period, each person required by the

214 commissioner to remit tax under [this] subparagraph (B) of this
215 subdivision shall report all of the tax collected and remitted during
216 such weekly period, regardless of the month, along with the
217 corresponding gross receipts, on the return covering the monthly
218 period that ended during such weekly period. Each person obligated
219 to file monthly or quarterly returns shall file such returns electronically
220 with the Department of Revenue Services and shall make each weekly
221 remittance by electronic funds transfer, in accordance with the
222 provisions of chapter 228g.

223 [(B)] (D) The commissioner shall send a written notice, in
224 accordance with the provisions of section 12-2f, informing each person
225 required to remit tax on a weekly basis pursuant to this subdivision of
226 such requirement. [Any person so required shall remit tax on a weekly
227 basis for a period of one year commencing from the date set forth in
228 such notice. Such notice shall also contain information regarding the
229 manner and method of such remittal.] Such notice shall include (i) a
230 statement that such person is required to establish a separate account
231 as set forth in subparagraph (E) of this subdivision unless such person
232 elects to remit tax through a certified service provider as set forth in
233 subparagraph (F) of this subdivision, (ii) a form for such person to
234 make such election, and (iii) a list of all certified service providers and
235 the contact information for each such provider. A person making such
236 election shall return the form to the commissioner not later than two
237 business days after receipt of the form. If a person does not make such
238 election or fails to return the form in the time period prescribed under
239 this subparagraph, such person shall establish a separate account and
240 make deposits into such account, in accordance with the provisions of
241 subparagraph (E) of this subdivision. The election of a certified service
242 provider or the determination that a person is required to establish a
243 separate account shall be irrevocable and shall remain in effect until
244 the commissioner notifies such person that, based on evidence of
245 twelve months of continuous compliance, such person is no longer
246 subject to the requirements of this subsection, except that the
247 commissioner may provide such notice prior to the end of such period

248 of compliance. The commissioner may authorize a certified service
249 provider to retain a portion of each amount of sales tax remitted by
250 such certified service provider on behalf of a person pursuant to this
251 subparagraph, provided such retained portion shall not exceed the
252 actual cost charged by the certified service provider to such person for
253 the services provided pursuant to this subparagraph.

254 (E) (i) Each person who elects or is otherwise required to establish
255 an account under subparagraph (D) of this subdivision shall, not later
256 than thirty days after receiving the notice under said subparagraph,
257 establish such account with a financial institution. Such account shall
258 be separate from any other account of such person and shall be
259 established under the designation, "(name of person required to
260 establish such account), Trustee, Special Fund in Trust for the State of
261 Connecticut, Department of Revenue Services, Under Section 12-408 of
262 the Connecticut General Statutes". Such person shall (I) provide to the
263 commissioner, upon request, the name of the financial institution
264 where such account was established, the account number of such
265 account and any other account-related information that the
266 commissioner may require, and (II) provide, as trustee, written consent
267 to the financial institution for the disclosure of account-related
268 information to the commissioner pursuant to this subdivision. Such
269 written consent shall constitute authorization for the disclosure of
270 financial records under section 36a-42. For the purposes of this
271 subparagraph, "account-related information" includes account balance
272 information and information identifying the dates and amounts of
273 debits and credits to such account, and may include such other
274 nonpublic personal information pertaining to such account the
275 commissioner may require.

276 (ii) Upon the establishment of such account, such person shall
277 deposit into such account the tax collected or received by such person,
278 not later than two business days after such collection or receipt. The
279 taxes deposited in such account shall constitute a fund in trust for the
280 state of Connecticut and deemed to be the property of the state,
281 payable only to the Department of Revenue Services, and no liens shall

282 be placed on the taxes deposited in such account. No other funds shall
283 be deposited into such account for any reason except for maintenance
284 of the account.

285 (iii) If, without the prior authorization of the commissioner, a
286 person withdraws funds from such account for any purpose other than
287 to remit tax due to the commissioner, such person shall be guilty of
288 larceny, as defined in section 53a-119. Each unauthorized withdrawal
289 shall constitute a separate offense.

290 (iv) The commissioner may request at any time from a financial
291 institution account-related information pertaining to any account
292 established pursuant to clause (i) of this subparagraph that is
293 maintained by such institution. The commissioner shall identify, in
294 consultation with representatives from the banking industry,
295 acceptable methods for the provision of such account-related
296 information.

297 (F) If a person elects under subparagraph (D) of this subdivision to
298 remit tax through a certified service provider, such person shall, not
299 later than thirty days after making such election, contract with a
300 certified service provider and begin remitting tax through such
301 provider. Such person shall provide to the commissioner, upon
302 request, a copy of the executed contract, a written authorization for the
303 commissioner to contact the certified service provider regarding such
304 person and any other information with respect to the arrangement
305 between such person and such provider that the commissioner may
306 require. Each certified service provider remitting tax on behalf of any
307 person required to remit tax for a weekly period shall do so in the
308 manner and method prescribed in subparagraph (C) of this
309 subdivision.

310 (G) (i) If any person who elects or is otherwise required to establish
311 an account under subparagraph (D) of this subdivision fails to remit
312 tax as provided in this subdivision and the commissioner determines
313 that collection of such tax will be jeopardized by delay, the

314 commissioner may serve notice on the financial institution where such
315 account was established and order the payment of such tax from such
316 account. The commissioner shall determine, in consultation with
317 representatives from the banking industry, acceptable methods for the
318 provision of such notice. Upon receipt of such notice, the financial
319 institution shall remove from such account before such institution's
320 midnight deadline, as defined in section 42a-4-104, the available funds
321 in such account or the amount of the tax ordered paid by the
322 commissioner, whichever is less. Any funds so removed by the
323 financial institution shall be paid to the commissioner not later than
324 two business days after such midnight deadline and such payment
325 shall be applied toward the amount of tax due to the commissioner
326 from such person. The commissioner shall not order payment from
327 such account of any penalty or interest that may be owed by such
328 person in connection with such tax. Such penalty or interest may be
329 collected by the commissioner in accordance with the provisions of
330 section 12-35, as amended by this act, and chapter 906.

331 (ii) If the financial institution fails or refuses to pay to the
332 commissioner the amount required under clause (i) of this
333 subparagraph, the Attorney General may, upon request by the
334 commissioner, bring an action in the superior court for the judicial
335 district of Hartford to compel the financial institution to pay such
336 amount.

337 (iii) Contemporaneously with the service of notice on the financial
338 institution, the commissioner shall provide a written notice to the
339 person who established the account pursuant to subparagraph (E)(i) of
340 this subdivision of such person's right to file a claim with the
341 commissioner if such account contains funds other than such taxes that
342 constitute the property of the state. Such notice shall be provided in
343 person, left at the person's dwelling or usual place of business, sent by
344 first-class mail to such person's last-known address or sent by
345 electronic mail or facsimile machine to such person. Such person shall
346 have ten business days after receipt of such notice to file such claim on
347 a form prescribed by the commissioner. Failure to file a claim within

348 the time period prescribed shall constitute a waiver of any demand
349 against the state.

350 (iv) Not later than ten business days after receipt of a claim filed
351 pursuant to clause (iii) of this subparagraph, the commissioner shall
352 determine whether such claim is valid. If the commissioner determines
353 the claim is valid, the commissioner shall return to such person only
354 those funds that are not the property of the state and such funds shall
355 not be subject to offset by the state. If the commissioner determines the
356 claim is not valid in whole or in part, the commissioner shall provide
357 written notice of denial to such person.

358 (v) Not later than five business days after the date of mailing of a
359 notice of denial, such person may file with the commissioner a written
360 protest of the denial, setting forth the grounds on which the protest is
361 based. If a protest is filed, the commissioner shall, not later than ten
362 business days after receipt of such protest, reconsider the denial. The
363 commissioner shall provide written notice to such person of the
364 commissioner's determination of reconsideration, setting forth briefly
365 the commissioner's findings of fact and the basis for the
366 commissioner's decision in each case decided adversely in whole or in
367 part to such person.

368 (vi) Any person aggrieved by a determination of the commissioner
369 under this subsection may appeal to the superior court for the judicial
370 district of New Britain, in accordance with the provisions of section 4-
371 183. Such appeal shall not constitute an appeal from the Commissioner
372 of Revenue Services for purposes of section 4-186.

373 (vii) Nothing in this subdivision shall affect the rights afforded to a
374 financial institution with respect to uncollected funds that are credited
375 to an account established pursuant to subparagraph (E) of this
376 subdivision, including the right to remove funds as a charge-back to
377 recover uncollected funds.

378 [(C)] (H) (i) Any person who fails to remit tax as provided in this
379 subdivision shall be subject to all penalties imposed under this chapter,

380 including revocation of such person's permit.

381 (ii) Any penalty imposed under this subdivision shall not be subject
382 to waiver.

383 (3) (A) Nothing in this subsection shall affect the rights afforded
384 under chapter 219 to persons subject to the provisions of this
385 subsection, including the ability to file a claim for refund under section
386 12-425.

387 (B) Except as otherwise provided, no action taken by the
388 commissioner under this subsection shall constitute collection actions
389 for purposes of section 12-35, as amended by this act, or chapter 906.

390 (f) Except for returns and payments required to be made under
391 subdivision (2) of subsection (e) of this section, the commissioner for
392 good cause may extend the time for making any return and paying any
393 amount required to be paid under this chapter, if a written request
394 therefor is filed with the commissioner together with a tentative return
395 which must be accompanied by a payment of the tax, which shall be
396 estimated in such tentative return, on or before the last day for filing
397 the return. Any person to whom an extension is granted shall pay, in
398 addition to the tax, interest at the rate of one per cent per month or
399 fraction thereof from the date on which the tax would have been due
400 without the extension until the date of payment.

401 Sec. 5. Section 12-707 of the general statutes is repealed and the
402 following is substituted in lieu thereof (*Effective October 1, 2017*):

403 (a) (1) Each employer required to deduct and withhold tax under
404 this chapter from the wages of employees shall be liable for such tax
405 and shall file a withholding return as prescribed by the Commissioner
406 of Revenue Services and pay over to the commissioner, or to a
407 depository designated by the commissioner, the taxes so required to be
408 deducted and withheld at the times specified in subsection (b) of this
409 section.

410 (2) Each payer [of nonpayroll amounts] shall deduct and withhold
411 tax under this chapter from the nonpayroll amounts of payees, shall be
412 liable for such tax [,] and shall file a withholding return as prescribed
413 by the commissioner and pay over to the commissioner, or to a
414 depository designated by the commissioner, the taxes so required to be
415 deducted and withheld at the times specified in subsection (b) of this
416 section.

417 (b) (1) (A) With respect to the tax required to be deducted and
418 withheld under this chapter from wages paid during any calendar year
419 beginning on or after January 1, 2005, and in accordance with an
420 annual determination described in subdivision (2) of this subsection,
421 each employer shall be either a weekly remitter, monthly remitter or
422 quarterly remitter for the calendar year. If an employer is a weekly
423 remitter, the employer shall pay over to the commissioner the tax
424 required to be deducted and withheld under this chapter in
425 accordance with subdivision (3) of this subsection. If an employer is a
426 monthly remitter, the employer shall pay over to the commissioner the
427 tax required to be deducted and withheld under this chapter in
428 accordance with subdivision (4) of this subsection. If an employer is a
429 quarterly remitter, the employer shall pay over to the commissioner
430 the tax required to be deducted and withheld under this chapter in
431 accordance with subdivision (5) of this subsection. Notwithstanding
432 any provision of this subsection, if an employer is a household
433 employer, the employer shall pay over to the commissioner the tax
434 required to be deducted and withheld under this chapter in
435 accordance with subdivision (6) of this subsection.

436 (B) With respect to the tax required to be deducted and withheld
437 under this chapter from nonpayroll amounts paid during any calendar
438 year beginning on or after January 1, 2005, and in accordance with an
439 annual determination described in subdivision (2) of this subsection,
440 each payer shall be either a weekly remitter, monthly remitter or
441 quarterly remitter for the calendar year. If a payer is a weekly remitter,
442 the payer shall pay over to the commissioner the tax required to be
443 deducted and withheld under this chapter in accordance with

444 subdivision (3) of this subsection. If a payer is a monthly remitter, the
445 payer shall pay over to the commissioner the tax required to be
446 deducted and withheld under this chapter in accordance with
447 subdivision (4) of this subsection. If a payer is a quarterly remitter, the
448 payer shall pay over to the commissioner the tax required to be
449 deducted and withheld under this chapter in accordance with
450 subdivision (5) of this subsection.

451 (2) (A) The annual determination for an employer required to
452 deduct and withhold tax under this chapter shall be based on the
453 employer's reported liability for the tax required to be deducted and
454 withheld under this chapter during the twelve-month look-back
455 period, provided, if any employer fails timely to file one or more
456 required withholding tax returns for the four quarterly periods within
457 the twelve-month look-back period, the commissioner may base the
458 annual determination for the employer on any information available to
459 the commissioner. If an employer's reported liability for the tax
460 required to be deducted and withheld under this chapter during the
461 twelve-month look-back period was more than ten thousand dollars,
462 the employer is a weekly remitter for the calendar year next
463 succeeding such twelve-month period. If an employer's reported
464 liability for the tax required to be deducted and withheld under this
465 chapter during the twelve-month look-back period was more than two
466 thousand dollars but not more than ten thousand dollars, the employer
467 is a monthly remitter for the calendar year next succeeding such
468 twelve-month period. If an employer's reported liability for the tax
469 required to be deducted and withheld under this chapter during the
470 twelve-month look-back period was two thousand dollars or less, the
471 employer is a quarterly remitter for the calendar year next succeeding
472 such twelve-month period. Notwithstanding any provision of this
473 section, if an employer is a seasonal employer, the annual
474 determination shall be based on the seasonal employer's reported
475 liability for the tax required to be deducted and withheld under this
476 chapter during the twelve-month look-back period multiplied by a
477 fraction, the numerator of which is four, and the denominator of which

478 is the number of quarterly periods during such twelve-month period
479 that the employer paid wages to employees.

480 (B) The annual determination for a payer required to deduct and
481 withhold tax under this chapter shall be based on the payer's reported
482 liability for the tax required to be deducted and withheld under this
483 chapter during the look-back calendar year, provided, if any payer
484 fails timely to file the required withholding tax return for the look-back
485 calendar year, the commissioner may base the annual determination
486 for the payer on any information available to the commissioner. If a
487 payer's reported liability for the tax required to be deducted and
488 withheld under this chapter during the look-back calendar year was
489 more than ten thousand dollars, the payer is a weekly remitter for the
490 calendar year for which the annual determination is being made. If a
491 payer's reported liability for the tax required to be deducted and
492 withheld under this chapter during the look-back calendar year was
493 more than two thousand dollars but not more than ten thousand
494 dollars, the payer is a monthly remitter for the calendar year for which
495 the annual determination is being made. If a payer's reported liability
496 for the tax required to be deducted and withheld under this chapter
497 during the look-back calendar year was two thousand dollars or less,
498 the payer is a quarterly remitter for the calendar year for which the
499 annual determination is being made.

500 (3) (A) An employer that is a weekly remitter shall pay over to the
501 department the tax required to be deducted and withheld from wages
502 under this chapter on or before the Wednesday next succeeding the
503 weekly period during which the wages from which the tax was
504 required to be deducted and withheld were paid to employees.

505 (B) A payer that is a weekly remitter shall pay over to the
506 department the tax required to be deducted and withheld from
507 nonpayroll amounts under this chapter on or before the Wednesday
508 next succeeding the weekly period during which the nonpayroll
509 amounts from which the tax was required to be deducted and
510 withheld were paid to payees.

511 (4) (A) An employer that is a monthly remitter shall pay over to the
512 department the tax required to be deducted and withheld from wages
513 under this chapter on or before the fifteenth day of the month next
514 succeeding the month during which the wages from which the tax was
515 required to be deducted and withheld were paid to employees.

516 (B) A payer that is a monthly remitter shall pay over to the
517 department the tax required to be deducted and withheld from
518 nonpayroll amounts under this chapter on or before the fifteenth day
519 of the month next succeeding the month during which the nonpayroll
520 amounts from which the tax was required to be deducted and
521 withheld were paid to payees.

522 (5) (A) An employer that is a quarterly remitter shall pay over to the
523 department the tax required to be deducted and withheld from wages
524 under this chapter on or before the last day of the month next
525 succeeding the quarterly period during which the wages from which
526 the tax was required to be deducted and withheld were paid to
527 employees.

528 (B) A payer that is a quarterly remitter shall pay over to the
529 department the tax required to be deducted and withheld from
530 nonpayroll amounts under this chapter on or before the last day of the
531 month next succeeding the quarterly period during which the
532 nonpayroll amounts from which the tax was required to be deducted
533 and withheld were paid to payees.

534 (6) An employer that is a household employer shall pay over to the
535 department the tax required to be deducted and withheld under this
536 chapter on or before the April fifteenth next succeeding the calendar
537 year during which the wages from which the tax was required to be
538 deducted and withheld were paid to household employees.

539 (c) In the case of an overpayment of tax under this chapter by an
540 employer, refund or credit shall be made to the employer only to the
541 extent that the amount of such overpayment was not deducted and
542 withheld by the employer.

543 (d) The amount of tax required to be deducted and withheld and
544 paid over to the commissioner under this chapter, when so deducted
545 and withheld, shall be held to be a special fund in trust for the state.
546 No employee or other person shall have any right of action against the
547 employer [in] with respect to any moneys deducted and withheld from
548 wages and paid over to the commissioner in compliance or in intended
549 compliance with this chapter.

550 (e) (1) If an employer required to deduct and withhold tax under
551 this chapter from the wages of employees and to pay over to the
552 commissioner the taxes so required to be deducted and withheld sells
553 out the employer's business or stock of goods or quits the employer's
554 business, such employer's successors or assigns shall withhold a
555 sufficient portion of the purchase price to cover the amount of such
556 taxes, and any interest and penalties thereon, due and unpaid, as of the
557 time of such sale or quitting of the business, until the employer
558 produces a receipt from the commissioner showing that the taxes,
559 interest and penalties have been paid or a certificate indicating that no
560 such taxes are due.

561 (2) If the purchaser of a business or stock of goods fails to withhold
562 a portion of the purchase price as required, the purchaser shall be
563 personally liable for the payment of the amount required to be
564 withheld by the purchaser, to the extent of the purchase price, valued
565 in money. Not later than sixty days after the latest of the dates
566 specified in subdivision (3) of this subsection, the commissioner shall
567 either issue a certificate indicating that no taxes are due or mail notice
568 to the purchaser in the manner provided in section 12-728 of the
569 amount that must be paid as a condition of issuing the certificate.
570 Failure of the commissioner to mail the notice shall release the
571 purchaser from any further obligation to withhold a portion of the
572 purchase price as provided in this subsection. The period within which
573 the obligation of the successor may be enforced shall begin when the
574 employer sells out the employer's business or stock of goods or quits
575 the employer's business or when the assessment against the employer
576 becomes final, whichever event occurs later.

577 (3) For purposes of subdivision (2) of this subsection, the latest of
578 the following dates shall apply:

579 (A) The date that the commissioner receives a written request from
580 the purchaser for a certificate;

581 (B) The date of the sale or quitting of the business; or

582 (C) The date that the employer's records are made available to the
583 commissioner for audit.

584 (f) (1) Whenever any employer or payer required to deduct and
585 withhold tax under this chapter (A) owes such taxes, which taxes have
586 been finally due and payable for a period of ninety days or longer and
587 for which any administrative or judicial remedies, or both, have been
588 exhausted or have lapsed, or (B) has failed to file one or more
589 withholding tax returns required under this chapter, the commissioner
590 may require any employer or payer to deposit with the commissioner
591 such security as the commissioner determines necessary, provided the
592 amount of such security shall not be greater than six times the
593 employer's or payer's estimated liability for the prior twelve-month
594 period or the employer's or payer's liability for the next twelve-month
595 period, determined in such manner as the commissioner deems
596 proper. The commissioner may increase or decrease the amount of the
597 security, subject to the limitations in this subsection.

598 (2) The commissioner may sell the security at public auction if it
599 becomes necessary to do so to recover any tax or amount required to
600 be collected or any interest or penalty due. Notice of such sale may be
601 served personally or by mail upon the person that deposited the
602 security. If the notice is served by mail, it shall be made in the manner
603 prescribed for service of notice of a deficiency assessment and shall be
604 addressed to such person at the person's address as it appears in the
605 commissioner's records. Upon any sale, any surplus above the
606 amounts due shall be returned to the person that deposited the
607 security.

608 ~~[(f)]~~ (g) As used in this section:

609 (1) "Employer" means an employer, as defined in Section 3401 of the
610 Internal Revenue Code;

611 (2) "Payer" means a person making a payment of nonpayroll
612 amounts to one or more payees;

613 (3) "Payee" means a person receiving a payment of nonpayroll
614 amounts from a payer;

615 (4) "Nonpayroll amounts" includes (A) gambling winnings, other
616 than Connecticut lottery winnings, that are paid to a resident, or to a
617 person receiving payment on behalf of a resident, and that are subject
618 to federal income tax withholding; (B) Connecticut lottery winnings
619 that are required to be reported by the Connecticut Lottery
620 Corporation to the Internal Revenue Service, whether or not subject to
621 federal income tax withholding, whether paid to a resident,
622 nonresident or a part-year resident, and whether paid to an individual,
623 trust or estate; (C) pension and annuity distributions, where the
624 recipient is a resident individual and has requested that tax be
625 deducted and withheld under this chapter; (D) military retired pay,
626 where the payee is a resident individual and has requested that tax be
627 deducted and withheld under this chapter; (E) unemployment
628 compensation, where the recipient has requested that tax be deducted
629 and withheld under this chapter; and (F) payments made to an athlete
630 or entertainer, where the payments are not wages for federal income
631 tax withholding purposes and where the commissioner requires the
632 payer to deduct and withhold tax under this chapter;

633 (5) "Reported liability" means, in the case of an employer, the
634 liability for the tax required to be deducted and withheld under this
635 chapter, as shown on the employer's withholding tax returns for the
636 four quarterly periods within the twelve-month look-back period, and,
637 in the case of a payer, the liability for the tax required to be deducted
638 and withheld under this chapter, as shown on the payer's withholding
639 tax return for the look-back calendar year;

640 (6) "Twelve-month look-back period" means the twelve-month
641 period that ended on the June thirtieth next preceding the calendar
642 year for which the annual determination for an employer is made by
643 the commissioner;

644 (7) "Look-back calendar year" means the calendar year preceding by
645 two years the calendar year for which the annual determination for a
646 payer is made by the commissioner;

647 (8) "Seasonal employer" means an employer that regularly in the
648 same one or more quarterly periods of each calendar year pays no
649 wages to employees;

650 (9) "Household employee" means an employee whose services of a
651 household nature in or about a private home of an employer constitute
652 domestic service in a private home of the employer, as the phrase is
653 used in Section 3121(a)(7) of the Internal Revenue Code or in
654 regulations adopted thereunder;

655 (10) "Household employer" means an employer of a household
656 employee;

657 (11) "Weekly period" means the seven-day period beginning on a
658 Saturday and ending on the following Friday; and

659 (12) "Quarterly period" means the period of three full months
660 beginning on the first day of January, April, July or October.

661 Sec. 6. Section 12-705 of the general statutes is repealed and the
662 following is substituted in lieu thereof (*Effective January 1, 2018*):

663 (a) (1) Each employer, as defined in section 12-707, as amended by
664 this act, maintaining an office or transacting business within this state
665 and making payment of any wages taxable under this chapter to a
666 resident or nonresident individual shall deduct and withhold from
667 such wages for each payroll period a tax computed in such manner as
668 to result, so far as practicable, in withholding from the employee's
669 wages during each calendar year an amount substantially equivalent

670 to the tax reasonably estimated to be due from the employee under this
671 chapter with respect to the amount of such wages during the calendar
672 year. The method of determining the amount to be withheld shall be
673 prescribed by regulations of the Commissioner of Revenue Services
674 adopted in accordance with chapter 54.

675 (2) Each payer, as defined in section 12-707, as amended by this act,
676 of pension or annuity distributions, including distributions from an
677 employer pension, an annuity, a profit-sharing plan, a stock bonus, a
678 deferred compensation plan, an individual retirement arrangement, an
679 endowment or a life insurance contract, that (A) maintains an office or
680 transacts business within this state, and (B) makes payment of any
681 amounts taxable under this chapter to a resident individual, shall
682 deduct and withhold from the taxable portion of any such distribution
683 a tax computed in such manner as to result, so far as practicable, in
684 withholding from the distributions paid during each calendar year an
685 amount substantially equivalent to the tax reasonably estimated to be
686 due from the payee, as defined in section 12-707, as amended by this
687 act, under this chapter with respect to such distributions during the
688 calendar year. The method of determining the amount to be withheld
689 shall be the same as the method used by employers with respect to the
690 payment of wages, except that a lump sum distribution shall be taxable
691 at the highest marginal rate unless (i) any portion of the lump sum
692 distribution was previously subject to tax, or (ii) the lump sum
693 distribution is a rollover that is effected as a direct trustee-to-trustee
694 transfer. For purposes of this section, "lump sum distribution" means a
695 payment from a payer to a resident payee of such resident payee's
696 entire retirement account balance, exclusive of any other tax
697 withholding and any administrative charges and fees.

698 (b) The commissioner may, if such action is deemed necessary for
699 the protection of the revenue and under such regulations as [he] the
700 commissioner may adopt in accordance with the provisions of chapter
701 54, require persons other than employers and payers (1) to deduct and
702 withhold taxes from payments made by such persons to residents of
703 this state, nonresidents and part-year residents, (2) to file a

704 withholding return as prescribed by the commissioner, and (3) to pay
705 over to the commissioner, or to a depository designated by the
706 commissioner, the taxes so required to be deducted and withheld, in
707 accordance with a schedule established in such regulations.

708 (c) The commissioner may adopt regulations providing for
709 withholding from (1) remuneration for services performed by an
710 employee for his or her employer [which] that does not constitute
711 wages, (2) wages paid to an employee by an employer not maintaining
712 an office or transacting business within this state, or (3) any other type
713 of payment with respect to which the commissioner finds that
714 withholding would be appropriate under the provisions of this chapter
715 if the employer and the employee, or, in the case of any other type of
716 payment, the person making and the person receiving such payment,
717 agree to such withholding. Such agreement shall be made in such form
718 and manner as the commissioner may [, by regulation,] prescribe by
719 regulations adopted in accordance with the provisions of chapter 54.
720 For purposes of this chapter, remuneration, wages or other payments
721 with respect to which such an agreement is made shall be regarded as
722 if they were wages paid to an employee by an employer maintaining
723 an office or transacting business within this state to the extent that such
724 remuneration or wages are paid or other payments are made during
725 the period for which the agreement is in effect.

726 Sec. 7. Section 12-706 of the general statutes is repealed and the
727 following is substituted in lieu thereof (*Effective January 1, 2018*):

728 (a) The Commissioner of Revenue Services may enter into
729 agreements with the tax officers of other states, which require income
730 tax to be withheld from the payment of wages and salaries, so as to
731 govern the amounts to be withheld from the wages and salaries of
732 residents of such states under this chapter. Such agreements may
733 provide for recognition of anticipated tax credits in determining the
734 amounts to be withheld and, under regulations prescribed in
735 accordance with the provisions of chapter 54 by said commissioner,
736 may relieve employers in this state from withholding income tax on

737 wages and salaries paid to nonresident employees. The agreements
738 authorized by this subsection are subject to the condition that the tax
739 officers of such other states grant similar treatment to residents of this
740 state.

741 (b) (1) Each employer required to deduct and withhold tax under
742 this chapter from the wages of an employee shall furnish to each such
743 employee with respect to the wages paid by such employer to such
744 employee during the calendar year, on or before January thirty-first of
745 the next succeeding year, a written statement as prescribed by the
746 Commissioner of Revenue Services showing the amount of wages paid
747 by the employer to the employee, the amount deducted and withheld
748 as tax [.] and such other information as said commissioner shall
749 prescribe. Each such employer shall file a copy of such written
750 statement with the Commissioner of Revenue Services on or before
751 [said] such January thirty-first date.

752 (2) Each payer and person other than a payer required to deduct
753 and withhold tax under this chapter from nonpayroll amounts shall
754 furnish to each payee, as defined in section 12-707, as amended by this
755 act, with respect to the nonpayroll amounts paid to such payee during
756 the calendar year, on or before January thirty-first of the next
757 succeeding year, a written statement as prescribed by said
758 commissioner showing the amount of nonpayroll amounts paid to the
759 payee, the amount deducted and withheld as tax and such other
760 information as said commissioner shall prescribe. Each such payer
761 shall file a copy of such written statement with said commissioner on
762 or before such January thirty-first date.

763 (c) [Wages] Amounts upon which tax is required to be withheld
764 shall be taxable under this chapter as if no withholding were required,
765 but any amount of tax actually deducted and withheld in any calendar
766 year shall be deemed to have been paid to said commissioner on behalf
767 of the [person] employee or payee from whom withheld [.] and such
768 [person] employee or payee shall be credited with having paid that
769 amount of tax for the taxable year beginning in such calendar year.

770 Sec. 8. Subsection (g) of section 12-707 of the general statutes, as
771 amended by section 5 of this act, is repealed and the following is
772 substituted in lieu thereof (*Effective January 1, 2018*):

773 (g) As used in this section and sections 12-705 and 12-706, as
774 amended by this act:

775 (1) "Employer" means an employer, as defined in Section 3401 of the
776 Internal Revenue Code;

777 (2) "Payer" means a person making a payment of nonpayroll
778 amounts to one or more payees;

779 (3) "Payee" means a person receiving a payment of nonpayroll
780 amounts from a payer;

781 (4) "Nonpayroll amounts" includes (A) gambling winnings, other
782 than Connecticut lottery winnings, that are paid to a resident, or to a
783 person receiving payment on behalf of a resident, and that are subject
784 to federal income tax withholding; (B) Connecticut lottery winnings
785 that are required to be reported by the Connecticut Lottery
786 Corporation to the Internal Revenue Service, whether or not subject to
787 federal income tax withholding, whether paid to a resident,
788 nonresident or a part-year resident, and whether paid to an individual,
789 trust or estate; (C) pension and annuity distributions, [where the
790 recipient is a resident individual and has requested that tax be
791 deducted and withheld] for which the payer is required to deduct and
792 withhold tax under this chapter; (D) military retired pay, where the
793 payee is a resident individual and has requested that tax be deducted
794 and withheld under this chapter; (E) unemployment compensation,
795 where the recipient has requested that tax be deducted and withheld
796 under this chapter; and (F) payments made to an athlete or entertainer,
797 where the payments are not wages for federal income tax withholding
798 purposes and where the commissioner requires the payer to deduct
799 and withhold tax under this chapter;

800 (5) "Reported liability" means, in the case of an employer, the

801 liability for the tax required to be deducted and withheld under this
802 chapter, as shown on the employer's withholding tax returns for the
803 four quarterly periods within the twelve-month look-back period, and,
804 in the case of a payer, the liability for the tax required to be deducted
805 and withheld under this chapter, as shown on the payer's withholding
806 tax return for the look-back calendar year;

807 (6) "Twelve-month look-back period" means the twelve-month
808 period that ended on the June thirtieth next preceding the calendar
809 year for which the annual determination for an employer is made by
810 the commissioner;

811 (7) "Look-back calendar year" means the calendar year preceding by
812 two years the calendar year for which the annual determination for a
813 payer is made by the commissioner;

814 (8) "Seasonal employer" means an employer that regularly in the
815 same one or more quarterly periods of each calendar year pays no
816 wages to employees;

817 (9) "Household employee" means an employee whose services of a
818 household nature in or about a private home of an employer constitute
819 domestic service in a private home of the employer, as the phrase is
820 used in Section 3121(a)(7) of the Internal Revenue Code or in
821 regulations adopted thereunder;

822 (10) "Household employer" means an employer of a household
823 employee;

824 (11) "Weekly period" means the seven-day period beginning on a
825 Saturday and ending on the following Friday; and

826 (12) "Quarterly period" means the period of three full months
827 beginning on the first day of January, April, July or October.

828 Sec. 9. (NEW) (*Effective July 1, 2017, and applicable to information*
829 *returns due for calendar years commencing on or after January 1, 2017*) (a)
830 For purposes of this section, (1) "payment settlement entity", "third

831 party settlement organization" and "electronic payment facilitator"
832 have the same meanings as provided in Section 6050W of the Internal
833 Revenue Code of 1986, or any subsequent corresponding internal
834 revenue code of the United States, as amended from time to time, and
835 (2) "reporting entity" means any payment settlement entity, third party
836 settlement organization, electronic payment facilitator or other third
837 party acting on behalf of a payment settlement entity, that processes
838 reportable payment transactions with respect to a participating payee
839 located in Connecticut.

840 (b) (1) Each reporting entity shall file with the Department of
841 Revenue Services, not later than thirty days after the reporting entity
842 files information returns with the Internal Revenue Service, a duplicate
843 of all such information returns, in such form and manner as prescribed
844 by the commissioner.

845 (2) Any reporting entity that fails to file a duplicate information
846 return required under subdivision (1) of this subsection within the
847 time prescribed shall be subject to a civil penalty of (A) fifty dollars for
848 each such failure if the failure is for not more than one month after
849 such duplicate was required to be filed, and (B) an additional fifty
850 dollars for each month or fraction thereof during which such failure
851 continues, except the total amount of the penalty imposed on a
852 reporting entity under this subdivision shall not exceed two hundred
853 fifty thousand dollars annually. Subject to the provisions of section 12-
854 3a of the general statutes, the commissioner may waive all or part of
855 the penalties provided under this subdivision when it is proven to the
856 commissioner's satisfaction that the failure to timely file such duplicate
857 was due to reasonable cause and was not due to wilful neglect.

858 Sec. 10. Subsection (b) of section 12-35 of the general statutes is
859 repealed and the following is substituted in lieu thereof (*Effective July*
860 *1, 2017*):

861 (b) (1) Any such warrant on any intangible personal property of any
862 person may be served by mailing a certified copy of such warrant by

863 certified mail, return receipt requested, to any third person in
864 possession of, or obligated with respect to, receivables, bank accounts,
865 evidences of debt, securities, salaries, wages, commissions,
866 compensation or other intangible personal property subject to such
867 warrant, ordering such third person to forthwith deliver such property
868 or pay the amount due or payable to the state collection agency
869 [which] that has made out such warrant, provided such warrant may
870 be issued only after the state collection agency making out such
871 warrant has notified the person owning such property, in writing, of
872 its intention to issue such warrant. The notice of intent shall be: (A)
873 Given in person; (B) left at the dwelling or usual place of business of
874 such person; or (C) sent by certified mail, return receipt requested, to
875 such person's last known address, not less than thirty days before the
876 day the warrant is to be issued.

877 (2) Any such warrant on any intangible personal property of any
878 person may be served by electronic mail or facsimile machine on any
879 third person in possession of, or obligated with respect to, receivables,
880 bank accounts, evidences of debt, securities, salaries, wages,
881 commissions, compensation or other intangible personal property
882 subject to such warrant, ordering such third person to forthwith
883 deliver such property or pay the amount due or payable to the state
884 collection agency [which] that has made out such warrant, provided
885 such warrant may be issued only after the state collection agency
886 making out such warrant has notified the person owning such
887 property, in writing, of its intention to issue such warrant. The notice
888 of intent shall be: (A) Given in person; (B) left at the dwelling or usual
889 place of business of such person; or (C) sent by certified mail, return
890 receipt requested, to such person's last-known address, not less than
891 thirty days before the day the warrant is to be issued. Any such
892 warrant for tax due may further include an order to such third person
893 to continually deliver, during the one hundred eighty days
894 immediately following the date of issuance of the warrant or until the
895 tax is fully paid, whichever occurs earlier, all intangible property that
896 is due and that becomes due to the person owing the tax. Except as

897 otherwise provided in this subdivision, such warrant shall have the
898 same force and effect as an execution issued pursuant to chapter 906.

899 Sec. 11. Section 12-3c of the general statutes is repealed and the
900 following is substituted in lieu thereof (*Effective from passage*):

901 The Commissioner of Revenue Services shall, subject to the
902 provisions of section 31-51i, require each applicant for a position of
903 employment with, [and] each employee applying for transfer to and, at
904 least once every ten years, each current employee of, the Department
905 of Revenue Services, to (1) state in writing whether such applicant or
906 employee has ever been convicted of a crime or whether criminal
907 charges are pending against such applicant or employee [at the time of
908 application for employment or transfer] and, if so, to identify the
909 charges and court in which such charges are pending, and (2) be
910 fingerprinted and submit to state and national criminal history records
911 checks. The criminal history records checks required by this section
912 shall be conducted in accordance with section 29-17a.

913 Sec. 12. Subparagraph (B) of subdivision (1) of section 12-408 of the
914 general statutes is repealed and the following is substituted in lieu
915 thereof (*Effective October 1, 2017, and applicable to sales occurring on or*
916 *after October 1, 2017*):

917 (B) (i) At a rate of fifteen per cent with respect to each transfer of
918 occupancy, from the total amount of rent received [for such occupancy
919 of any room or rooms in] by a hotel or lodging house for the first
920 period not exceeding thirty consecutive calendar days;

921 (ii) At a rate of eleven per cent with respect to each transfer of
922 occupancy, from the total amount of rent received by a bed and
923 breakfast establishment for the first period not exceeding thirty
924 consecutive calendar days;

925 Sec. 13. Subparagraph (B) of subdivision (1) of section 12-411 of the
926 general statutes is repealed and the following is substituted in lieu
927 thereof (*Effective October 1, 2017, and applicable to sales occurring on or*

928 after October 1, 2017):

929 (B) (i) At a rate of fifteen per cent of the rent paid [for occupancy of
930 any room or rooms in] to a hotel or lodging house for the first period
931 [of not more than] not exceeding thirty consecutive calendar days;

932 (ii) At a rate of eleven per cent of the rent paid to a bed and
933 breakfast establishment for the first period not exceeding thirty
934 consecutive calendar days;

935 Sec. 14. Section 12-407 of the general statutes is repealed and the
936 following is substituted in lieu thereof (*Effective October 1, 2017, and*
937 *applicable to sales occurring on or after October 1, 2017*):

938 (a) Whenever used in this chapter:

939 (1) "Person" means and includes any individual, firm,
940 copartnership, joint venture, association, association of persons
941 however formed, social club, fraternal organization, corporation,
942 limited liability company, foreign municipal electric utility as defined
943 in section 12-59, estate, trust, fiduciary, receiver, trustee, syndicate, the
944 United States, this state or any political subdivision thereof or any
945 group or combination acting as a unit, and any other individual or
946 officer acting under the authority of any court in this state.

947 (2) "Sale" and "selling" mean and include:

948 (A) Any transfer of title, exchange or barter, conditional or
949 otherwise, in any manner or by any means whatsoever, of tangible
950 personal property for a consideration;

951 (B) Any withdrawal, except a withdrawal pursuant to a transaction
952 in foreign or interstate commerce, of tangible personal property from
953 the place where it is located for delivery to a point in this state for the
954 purpose of the transfer of title, exchange or barter, conditional or
955 otherwise, in any manner or by any means whatsoever, of the property
956 for a consideration;

957 (C) The producing, fabricating, processing, printing or imprinting of
958 tangible personal property for a consideration for consumers who
959 furnish either directly or indirectly the materials used in the
960 producing, fabricating, processing, printing or imprinting, including,
961 but not limited to, sign construction, photofinishing, duplicating and
962 photocopying;

963 (D) The furnishing and distributing of tangible personal property
964 for a consideration by social clubs and fraternal organizations to their
965 members or others;

966 (E) The furnishing, preparing, or serving for a consideration of food,
967 meals or drinks;

968 (F) A transaction whereby the possession of property is transferred
969 but the seller retains the title as security for the payment of the price;

970 (G) A transfer for a consideration of the title of tangible personal
971 property which has been produced, fabricated or printed to the special
972 order of the customer, or of any publication, including, but not limited
973 to, sign construction, photofinishing, duplicating and photocopying;

974 (H) A transfer for a consideration of the occupancy of any room or
975 rooms in a hotel, [or] lodging house or bed and breakfast
976 establishment for a period of thirty consecutive calendar days or less;

977 (I) The rendering of certain services, as defined in subdivision (37)
978 of this subsection, for a consideration, exclusive of such services
979 rendered by an employee for the employer;

980 (J) The leasing or rental of tangible personal property of any kind
981 whatsoever, including, but not limited to, motor vehicles, linen or
982 towels, machinery or apparatus, office equipment and data processing
983 equipment, provided for purposes of this subdivision and the
984 application of sales and use tax to contracts of lease or rental of
985 tangible personal property, the leasing or rental of any motion picture
986 film by the owner or operator of a motion picture theater for purposes

987 of display at such theater shall not constitute a sale within the meaning
988 of this subsection;

989 (K) The rendering of telecommunications service, as defined in
990 subdivision (26) of this subsection, for a consideration on or after
991 January 1, 1990, exclusive of any such service rendered by an employee
992 for the employer of such employee, subject to the provisions related to
993 telecommunications service in accordance with section 12-407a;

994 (L) (i) The rendering of community antenna television service, as
995 defined in subdivision (27) of this subsection, for a consideration on or
996 after January 1, 1990, exclusive of any such service rendered by an
997 employee for the employer of such employee. For purposes of this
998 chapter, "community antenna television service" includes service
999 provided by a holder of a certificate of cable franchise authority
1000 pursuant to section 16-331p, and service provided by a community
1001 antenna television company issued a certificate of video franchise
1002 authority pursuant to section 16-331e for any service area in which it
1003 was not certified to provide community antenna television service
1004 pursuant to section 16-331 on or before October 1, 2007;

1005 (ii) The rendering of certified competitive video service, as defined
1006 in subdivision (38) of this subsection, for consideration on or after
1007 October 1, 2007, exclusive of any such service rendered by an
1008 employee for the employer of such employee;

1009 (M) The transfer for consideration of space or the right to use any
1010 space for the purpose of storage or mooring of any noncommercial
1011 vessel, exclusive of dry or wet storage or mooring of such vessel
1012 during the period commencing on the first day of October in any year
1013 to and including the thirty-first day of May of the next succeeding
1014 year;

1015 (N) The sale for consideration of naming rights to any place of
1016 amusement, entertainment or recreation within the meaning of
1017 subdivision (3) of section 12-540;

1018 (O) The transfer for consideration of a prepaid telephone calling
1019 service, as defined in subdivision (34) of this subsection, and the
1020 recharge of a prepaid telephone calling service, provided, if the sale or
1021 recharge of a prepaid telephone calling service does not take place at
1022 the retailer's place of business and an item is shipped by the retailer to
1023 the customer, the sale or recharge shall be deemed to take place at the
1024 customer's shipping address, but, if such sale or recharge does not take
1025 place at the retailer's place of business and no item is shipped by the
1026 retailer to the customer, the sale or recharge shall be deemed to take
1027 place at the customer's billing address or the location associated with
1028 the customer's mobile telephone number; and

1029 (P) The furnishing by any person, for a consideration, of space for
1030 storage of tangible personal property when such person is engaged in
1031 the business of furnishing such space, but "sale" and "selling" do not
1032 mean or include the furnishing of space which is used by a person for
1033 residential purposes. As used in this subparagraph, "space for storage"
1034 means secure areas, such as rooms, units, compartments or containers,
1035 whether accessible from outside or from within a building, that are
1036 designated for the use of a customer, where the customer can store and
1037 retrieve property, including self-storage units, mini-storage units and
1038 areas by any other name to which the customer has either unlimited
1039 free access or free access within reasonable business hours or upon
1040 reasonable notice to the service provider to add or remove property,
1041 but does not mean the rental of an entire building, such as a
1042 warehouse. For purposes of this subparagraph, furnishing space for
1043 storage shall not include general warehousing and storage, where the
1044 warehouse typically handles, stores and retrieves a customer's
1045 property using the warehouse's staff and equipment and does not
1046 allow the customer free access to the storage space and shall not
1047 include accepting specific items of property for storage, such as
1048 clothing at a dry cleaning establishment or golf bags at a golf club.

1049 (3) (A) "Retail sale" or "sale at retail" means and includes a sale for
1050 any purpose other than resale in the regular course of business of
1051 tangible personal property or a transfer for a consideration of the

1052 occupancy of any room or rooms in a hotel, [or] lodging house or bed
1053 and breakfast establishment for a period of thirty consecutive calendar
1054 days or less, or the rendering of any service described in subdivision
1055 (2) of this subsection. The delivery in this state of tangible personal
1056 property by an owner or former owner thereof or by a factor, if the
1057 delivery is to a consumer pursuant to a retail sale made by a retailer
1058 not engaged in business in this state, is a retail sale in this state by the
1059 person making the delivery. Such person shall include the retail selling
1060 price of the property in such person's gross receipts.

1061 (B) "Retail sale" or "sale at retail" does not include any sale of any
1062 tangible personal property, where, no later than one hundred twenty
1063 days after the original sale, the original purchaser sells or becomes
1064 contractually obligated to sell such property to a retailer who is
1065 contractually obligated to lease such property back to such original
1066 purchaser in a lease that is taxable under this chapter or the sale of
1067 such property by the original purchaser to the retailer who is
1068 contractually obligated to lease such property back to such original
1069 purchaser in a lease that is taxable under this chapter. If the original
1070 purchaser has paid sales or use tax on the original sale of such
1071 property to the original purchaser, such original purchaser may (i)
1072 claim a refund of such tax under the provisions of section 12-425, upon
1073 presentation of proof satisfactory to the commissioner that the mutual
1074 contractual obligations described in this subparagraph were
1075 undertaken no later than one hundred twenty days after the original
1076 sale and that such tax was paid to the original retailer on the original
1077 sale and was remitted to the commissioner by such original retailer or
1078 by such original purchaser, or (ii) issue at the time of such original sale
1079 or no later than one hundred twenty days thereafter a certificate, in the
1080 form prescribed by the commissioner, to the original retailer certifying
1081 that the mutual contractual obligations described in this subparagraph
1082 have been undertaken. If such certificate is issued to the original
1083 retailer at the time of the original sale, no tax on the original sale shall
1084 be collected by the original retailer from the original purchaser. If the
1085 certificate is issued after the time of the original sale but no later than

1086 one hundred twenty days thereafter, the original retailer shall refund
1087 to the original purchaser the tax collected on the original sale and, if
1088 the original retailer has previously remitted the tax to the
1089 commissioner, the original retailer may either treat the amount so
1090 refunded as a credit against the tax due on the return next filed under
1091 this chapter, or claim a refund under section 12-425. If such certificate
1092 is issued no later than one hundred twenty days after the time of the
1093 original sale but the tangible personal property originally purchased is
1094 not, in fact, subsequently leased by the original purchaser, such
1095 original purchaser shall be liable for and be required to pay the tax due
1096 on the original sale.

1097 (4) "Storage" includes any keeping or retention in this state for any
1098 purpose except sale in the regular course of business or subsequent use
1099 solely outside this state of tangible personal property purchased from
1100 a retailer.

1101 (5) "Use" includes the exercise of any right or power over tangible
1102 personal property incident to the ownership of that property, except
1103 that it does not include the sale of that property in the regular course
1104 of business.

1105 (6) "Storage" and "use" do not include (A) keeping, retaining or
1106 exercising any right or power over tangible personal property shipped
1107 or brought into this state for the purpose of subsequently transporting
1108 it outside the state for use thereafter solely outside the state, or for the
1109 purpose of being processed, fabricated or manufactured into, attached
1110 to or incorporated into, other tangible personal property to be
1111 transported outside the state and thereafter used solely outside the
1112 state, or (B) keeping, retaining or exercising any right or power over
1113 tangible personal property acquired by the customer of a commercial
1114 printer while such property is located at the premises of the
1115 commercial printer in this state pursuant to a contract with such
1116 printer for printing and distribution of printed material if the
1117 commercial printer could have acquired such property without
1118 application of tax under this chapter.

1119 (7) "Purchase" and "purchasing" means and includes: (A) Any
1120 transfer, exchange or barter, conditional or otherwise, in any manner
1121 or by any means whatsoever, of tangible personal property or of the
1122 occupancy of any room or rooms in a hotel, [or] lodging house or bed
1123 and breakfast establishment for a period of thirty consecutive calendar
1124 days or less for a consideration; (B) a transaction whereby the
1125 possession of property is transferred but the seller retains the title as
1126 security for the payment of the price; (C) a transfer for a consideration
1127 of tangible personal property which has been produced, fabricated or
1128 printed to the special order of the customer, or of any publication; (D)
1129 when performed outside this state or when the customer gives a resale
1130 certificate pursuant to section 12-410, the producing, fabricating,
1131 processing, printing or imprinting of tangible personal property for a
1132 consideration for consumers who furnish either directly or indirectly
1133 the materials used in the producing, fabricating, processing, printing
1134 or imprinting; (E) the acceptance or receipt of any service described in
1135 any of the subparagraphs of subdivision (2) of this subsection; (F) any
1136 leasing or rental of tangible personal property. Wherever in this
1137 chapter reference is made to the purchase or purchasing of tangible
1138 personal property, it shall be construed to include purchases as
1139 described in this subsection.

1140 (8) (A) "Sales price" means the total amount for which tangible
1141 personal property is sold by a retailer, the total amount of rent for
1142 which occupancy of a room is transferred by an operator, the total
1143 amount for which any service described in subdivision (2) of this
1144 subsection is rendered by a retailer or the total amount of payment or
1145 periodic payments for which tangible personal property is leased by a
1146 retailer, valued in money, whether paid in money or otherwise, which
1147 amount is due and owing to the retailer or operator and, subject to the
1148 provisions of subdivision (1) of section 12-408, as amended by this act,
1149 whether or not actually received by the retailer or operator, without
1150 any deduction on account of any of the following: (i) The cost of the
1151 property sold; (ii) the cost of materials used, labor or service cost,
1152 interest charged, losses or any other expenses; (iii) for any sale

1153 occurring on or after July 1, 1993, any charges by the retailer to the
1154 purchaser for shipping or delivery, notwithstanding whether such
1155 charges are separately stated in a written contract, or on a bill or
1156 invoice rendered to such purchaser or whether such shipping or
1157 delivery is provided by the retailer or a third party. The provisions of
1158 subparagraph (A) (iii) of this subdivision shall not apply to any item
1159 exempt from taxation pursuant to section 12-412. Such total amount
1160 includes any services that are a part of the sale; except as otherwise
1161 provided in subparagraph (B)(v) or (B)(vi) of this subdivision, any
1162 amount for which credit is given to the purchaser by the retailer, and
1163 all compensation and all employment-related expenses, whether or not
1164 separately stated, paid to or on behalf of employees of a retailer of any
1165 service described in subdivision (2) of this subsection.

1166 (B) "Sales price" does not include any of the following: (i) Cash
1167 discounts allowed and taken on sales; (ii) any portion of the amount
1168 charged for property returned by purchasers, which upon rescission of
1169 the contract of sale is refunded either in cash or credit, provided the
1170 property is returned within ninety days from the date of purchase; (iii)
1171 the amount of any tax, not including any manufacturers' or importers'
1172 excise tax, imposed by the United States upon or with respect to retail
1173 sales whether imposed upon the retailer or the purchaser; (iv) the
1174 amount charged for labor rendered in installing or applying the
1175 property sold, provided such charge is separately stated and exclusive
1176 of such charge for any service rendered within the purview of
1177 subparagraph (I) of subdivision (37) of this subsection; (v) unless the
1178 provisions of subdivision (4) of section 12-430 or of section 12-430a are
1179 applicable, any amount for which credit is given to the purchaser by
1180 the retailer, provided such credit is given solely for property of the
1181 same kind accepted in part payment by the retailer and intended by
1182 the retailer to be resold; (vi) the full face value of any coupon used by a
1183 purchaser to reduce the price paid to a retailer for an item of tangible
1184 personal property, whether or not the retailer will be reimbursed for
1185 such coupon, in whole or in part, by the manufacturer of the item of
1186 tangible personal property or by a third party; (vii) the amount

1187 charged for separately stated compensation, fringe benefits, workers'
1188 compensation and payroll taxes or assessments paid to or on behalf of
1189 employees of a retailer who has contracted to manage a service
1190 recipient's property or business premises and renders management
1191 services described in subparagraph (I) or (J) of subdivision (37) of this
1192 subsection, provided, the employees perform such services solely for
1193 the service recipient at its property or business premises and "sales
1194 price" shall include the separately stated compensation, fringe benefits,
1195 workers' compensation and payroll taxes or assessments paid to or on
1196 behalf of any employee of the retailer who is an officer, director or
1197 owner of more than five per cent of the outstanding capital stock of the
1198 retailer. Determination whether an employee performs services solely
1199 for a service recipient at its property or business premises for purposes
1200 of this subdivision shall be made by reference to such employee's
1201 activities during the time period beginning on the later of the
1202 commencement of the management contract, the date of the
1203 employee's first employment by the retailer or the date which is six
1204 months immediately preceding the date of such determination; (viii)
1205 the amount charged for separately stated compensation, fringe
1206 benefits, workers' compensation and payroll taxes or assessments paid
1207 to or on behalf of (I) a leased employee, or (II) a worksite employee by
1208 a professional employer organization pursuant to a professional
1209 employer agreement. For purposes of this subparagraph, an employee
1210 shall be treated as a leased employee if the employee is provided to the
1211 client at the commencement of an agreement with an employee leasing
1212 organization under which at least seventy-five per cent of the
1213 employees provided to the client at the commencement of such initial
1214 agreement qualify as leased employees pursuant to Section 414(n) of
1215 the Internal Revenue Code of 1986, or any subsequent corresponding
1216 internal revenue code of the United States, as from time to time
1217 amended, or the employee is added to the client's workforce by the
1218 employee leasing organization subsequent to the commencement of
1219 such initial agreement and qualifies as a leased employee pursuant to
1220 Section 414(n) of said Internal Revenue Code of 1986 without regard to
1221 subparagraph (B) of paragraph (2) thereof. A leased employee, or a

1222 worksite employee subject to a professional employer agreement, shall
1223 not include any employee who is hired by a temporary help service
1224 and assigned to support or supplement the workforce of a temporary
1225 help service's client; (ix) any amount received by a retailer from a
1226 purchaser as the battery deposit that is required to be paid under
1227 subsection (a) of section 22a-245h; the refund value of a beverage
1228 container that is required to be paid under subsection (a) of section
1229 22a-244; or a deposit that is required by law to be paid by the
1230 purchaser to the retailer and that is required by law to be refunded to
1231 the purchaser by the retailer when the same or similar tangible
1232 personal property is delivered as required by law to the retailer by the
1233 purchaser, if such amount is separately stated on the bill or invoice
1234 rendered by the retailer to the purchaser; and (x) the amount charged
1235 for separately stated compensation, fringe benefits, workers'
1236 compensation and payroll taxes or assessments paid to a media payroll
1237 services company, as defined in this subsection.

1238 (9) (A) "Gross receipts" means the total amount of the sales price
1239 from retail sales of tangible personal property by a retailer, the total
1240 amount of the rent from transfers of occupancy of rooms by an
1241 operator, the total amount of the sales price from retail sales of any
1242 service described in subdivision (2) of this subsection by a retailer of
1243 services, or the total amount of payment or periodic payments from
1244 leases or rentals of tangible personal property by a retailer, valued in
1245 money, whether received in money or otherwise, which amount is due
1246 and owing to the retailer or operator and, subject to the provisions of
1247 subdivision (1) of section 12-408, as amended by this act, whether or
1248 not actually received by the retailer or operator, without any deduction
1249 on account of any of the following: (i) The cost of the property sold;
1250 however, in accordance with such regulations as the Commissioner of
1251 Revenue Services may prescribe, a deduction may be taken if the
1252 retailer has purchased property for some other purpose than resale,
1253 has reimbursed the retailer's vendor for tax which the vendor is
1254 required to pay to the state or has paid the use tax with respect to the
1255 property, and has resold the property prior to making any use of the

1256 property other than retention, demonstration or display while holding
1257 it for sale in the regular course of business. If such a deduction is taken
1258 by the retailer, no refund or credit will be allowed to the retailer's
1259 vendor with respect to the sale of the property; (ii) the cost of the
1260 materials used, labor or service cost, interest paid, losses or any other
1261 expense; (iii) for any sale occurring on or after July 1, 1993, except for
1262 any item exempt from taxation pursuant to section 12-412, any charges
1263 by the retailer to the purchaser for shipping or delivery,
1264 notwithstanding whether such charges are separately stated in the
1265 written contract, or on a bill or invoice rendered to such purchaser or
1266 whether such shipping or delivery is provided by the retailer or a third
1267 party. The total amount of the sales price includes any services that are
1268 a part of the sale; all receipts, cash, credits and property of any kind;
1269 except as otherwise provided in subparagraph (B)(v) or (B)(vi) of this
1270 subdivision, any amount for which credit is allowed by the retailer to
1271 the purchaser; and all compensation and all employment-related
1272 expenses, whether or not separately stated, paid to or on behalf of
1273 employees of a retailer of any service described in subdivision (2) of
1274 this subsection.

1275 (B) "Gross receipts" do not include any of the following: (i) Cash
1276 discounts allowed and taken on sales; (ii) any portion of the sales price
1277 of property returned by purchasers, which upon rescission of the
1278 contract of sale is refunded either in cash or credit, provided the
1279 property is returned within ninety days from the date of sale; (iii) the
1280 amount of any tax, not including any manufacturers' or importers'
1281 excise tax, imposed by the United States upon or with respect to retail
1282 sales whether imposed upon the retailer or the purchaser; (iv) the
1283 amount charged for labor rendered in installing or applying the
1284 property sold, provided such charge is separately stated and exclusive
1285 of such charge for any service rendered within the purview of
1286 subparagraph (I) of subdivision (37) of this subsection; (v) unless the
1287 provisions of subdivision (4) of section 12-430 or of section 12-430a are
1288 applicable, any amount for which credit is given to the purchaser by
1289 the retailer, provided such credit is given solely for property of the

1290 same kind accepted in part payment by the retailer and intended by
1291 the retailer to be resold; (vi) the full face value of any coupon used by a
1292 purchaser to reduce the price paid to the retailer for an item of tangible
1293 personal property, whether or not the retailer will be reimbursed for
1294 such coupon, in whole or in part, by the manufacturer of the item of
1295 tangible personal property or by a third party; (vii) the amount
1296 charged for separately stated compensation, fringe benefits, workers'
1297 compensation and payroll taxes or assessments paid to or on behalf of
1298 employees of a retailer who has contracted to manage a service
1299 recipient's property or business premises and renders management
1300 services described in subparagraph (I) or (J) of subdivision (37) of this
1301 subsection, provided the employees perform such services solely for
1302 the service recipient at its property or business premises and "gross
1303 receipts" shall include the separately stated compensation, fringe
1304 benefits, workers' compensation and payroll taxes or assessments paid
1305 to or on behalf of any employee of the retailer who is an officer,
1306 director or owner of more than five per cent of the outstanding capital
1307 stock of the retailer. Determination whether an employee performs
1308 services solely for a service recipient at its property or business
1309 premises for purposes of this subdivision shall be made by reference to
1310 such employee's activities during the time period beginning on the
1311 later of the commencement of the management contract, the date of the
1312 employee's first employment by the retailer or the date which is six
1313 months immediately preceding the date of such determination; (viii)
1314 the amount charged for separately stated compensation, fringe
1315 benefits, workers' compensation and payroll taxes or assessments paid
1316 to or on behalf of (I) a leased employee, or (II) a worksite employee by
1317 a professional employer organization pursuant to a professional
1318 employer agreement. For purposes of this subparagraph, an employee
1319 shall be treated as a leased employee if the employee is provided to the
1320 client at the commencement of an agreement with an employee leasing
1321 organization under which at least seventy-five per cent of the
1322 employees provided to the client at the commencement of such initial
1323 agreement qualify as leased employees pursuant to Section 414(n) of
1324 the Internal Revenue Code of 1986, or any subsequent corresponding

1325 internal revenue code of the United States, as from time to time
1326 amended, or the employee is added to the client's workforce by the
1327 employee leasing organization subsequent to the commencement of
1328 such initial agreement and qualifies as a leased employee pursuant to
1329 Section 414(n) of said Internal Revenue Code of 1986 without regard to
1330 subparagraph (B) of paragraph (2) thereof. A leased employee, or a
1331 worksite employee subject to a professional employer agreement, shall
1332 not include any employee who is hired by a temporary help service
1333 and assigned to support or supplement the workforce of a temporary
1334 help service's client; (ix) the amount received by a retailer from a
1335 purchaser as the battery deposit that is required to be paid under
1336 subsection (a) of section 22a-256h; the refund value of a beverage
1337 container that is required to be paid under subsection (a) of section
1338 22a-244 or a deposit that is required by law to be paid by the purchaser
1339 to the retailer and that is required by law to be refunded to the
1340 purchaser by the retailer when the same or similar tangible personal
1341 property is delivered as required by law to the retailer by the
1342 purchaser, if such amount is separately stated on the bill or invoice
1343 rendered by the retailer to the purchaser; and (x) the amount charged
1344 for separately stated compensation, fringe benefits, workers'
1345 compensation and payroll taxes or assessments paid to a media payroll
1346 services company, as defined in this subsection.

1347 (10) "Business" includes any activity engaged in by any person or
1348 caused to be engaged in by any person with the object of gain, benefit
1349 or advantage, either direct or indirect.

1350 (11) "Seller" includes every person engaged in the business of selling
1351 tangible personal property or rendering any service described in any of
1352 the subparagraphs of subdivision (2) of this subsection, the gross
1353 receipts from the retail sale of which are required to be included in the
1354 measure of the sales tax and every operator as defined in subdivision
1355 (18) of this subsection.

1356 (12) "Retailer" includes: (A) Every person engaged in the business of
1357 making sales at retail or in the business of making retail sales at

1358 auction of tangible personal property owned by the person or others;
1359 (B) every person engaged in the business of making sales for storage,
1360 use or other consumption or in the business of making sales at auction
1361 of tangible personal property owned by the person or others for
1362 storage, use or other consumption; (C) every operator, as defined in
1363 subdivision (18) of this subsection; (D) every seller rendering any
1364 service described in subdivision (2) of this subsection; (E) every person
1365 under whom any salesman, representative, peddler or canvasser
1366 operates in this state, or from whom such salesman, representative,
1367 peddler or canvasser obtains the tangible personal property that is
1368 sold; (F) every person with whose assistance any seller is enabled to
1369 solicit orders within this state; (G) every person making retail sales
1370 from outside this state to a destination within this state and not
1371 maintaining a place of business in this state who engages in regular or
1372 systematic solicitation of sales of tangible personal property in this
1373 state (i) by the display of advertisements on billboards or other
1374 outdoor advertising in this state, (ii) by the distribution of catalogs,
1375 periodicals, advertising flyers or other advertising by means of print,
1376 radio or television media, or (iii) by mail, telegraphy, telephone,
1377 computer data base, cable, optic, microwave or other communication
1378 system, for the purpose of effecting retail sales of tangible personal
1379 property, provided such person has made one hundred or more retail
1380 sales from outside this state to destinations within this state during the
1381 twelve-month period ended on the September thirtieth immediately
1382 preceding the monthly or quarterly period with respect to which such
1383 person's liability for tax under this chapter is determined; (H) any
1384 person owned or controlled, either directly or indirectly, by a retailer
1385 engaged in business in this state which is the same as or similar to the
1386 line of business in which such person so owned or controlled is
1387 engaged; (I) any person owned or controlled, either directly or
1388 indirectly, by the same interests that own or control, either directly or
1389 indirectly, a retailer engaged in business in this state which is the same
1390 as or similar to the line of business in which such person so owned or
1391 controlled is engaged; (J) any assignee of a person engaged in the
1392 business of leasing tangible personal property to others, where leased

1393 property of such person which is subject to taxation under this chapter
1394 is situated within this state and such assignee has a security interest, as
1395 defined in subdivision (35) of subsection (b) of section 42a-1-201, in
1396 such property; (K) every person making retail sales of items of tangible
1397 personal property from outside this state to a destination within this
1398 state and not maintaining a place of business in this state who repairs
1399 or services such items, under a warranty, in this state, either directly or
1400 indirectly through an agent, independent contractor or subsidiary; and
1401 (L) every person making sales of tangible personal property or services
1402 through an agreement with another person located in this state under
1403 which such person located in this state, for a commission or other
1404 consideration that is based upon the sale of tangible personal property
1405 or services by the retailer, directly or indirectly refers potential
1406 customers, whether by a link on an Internet web site or otherwise, to
1407 the retailer, provided the cumulative gross receipts from sales by the
1408 retailer to customers in the state who are referred to the retailer by all
1409 such persons with this type of an agreement with the retailer, is in
1410 excess of two thousand dollars during the preceding four quarterly
1411 periods ending on the last day of March, June, September and
1412 December.

1413 (13) "Tangible personal property" means personal property which
1414 may be seen, weighed, measured, felt or touched or which is in any
1415 other manner perceptible to the senses including canned or prewritten
1416 computer software. Tangible personal property includes the
1417 distribution, generation or transmission of electricity.

1418 (14) "In this state" or "in the state" means within the exterior limits of
1419 the state of Connecticut and includes all territory within these limits
1420 owned by or ceded to the United States of America.

1421 (15) (A) "Engaged in business in the state" means and includes but
1422 shall not be limited to the following acts or methods of transacting
1423 business: (i) Selling in this state, or any activity in this state in
1424 connection with selling in this state, tangible personal property for use,
1425 storage or consumption within the state; (ii) engaging in the transfer

1426 for a consideration of the occupancy of any room or rooms in a hotel,
1427 [or] lodging house or bed and breakfast establishment for a period of
1428 thirty consecutive calendar days or less; (iii) rendering in this state any
1429 service described in any of the subparagraphs of subdivision (2) of this
1430 subsection; (iv) maintaining, occupying or using, permanently or
1431 temporarily, directly or indirectly, through a subsidiary or agent, by
1432 whatever name called, any office, place of distribution, sales or sample
1433 room or place, warehouse or storage point or other place of business or
1434 having any representative, agent, salesman, canvasser or solicitor
1435 operating in this state for the purpose of selling, delivering or taking
1436 orders; (v) notwithstanding the fact that retail sales are made from
1437 outside this state to a destination within this state and that a place of
1438 business is not maintained in this state, engaging in regular or
1439 systematic solicitation of sales of tangible personal property in this
1440 state by the display of advertisements on billboards or other outdoor
1441 advertising in this state, by the distribution of catalogs, periodicals,
1442 advertising flyers or other advertising by means of print, radio or
1443 television media, or by mail, telegraphy, telephone, computer data
1444 base, cable, optic, microwave or other communication system, for the
1445 purpose of effecting retail sales of tangible personal property,
1446 provided one hundred or more retail sales from outside this state to
1447 destinations within this state are made during the twelve-month
1448 period ended on the September thirtieth immediately preceding the
1449 monthly or quarterly period with respect to which liability for tax
1450 under this chapter is determined; (vi) being owned or controlled,
1451 either directly or indirectly, by a retailer engaged in business in this
1452 state which is the same as or similar to the line of business in which the
1453 retailer so owned or controlled is engaged; (vii) being owned or
1454 controlled, either directly or indirectly, by the same interests that own
1455 or control, either directly or indirectly, a retailer engaged in business in
1456 this state which is the same as or similar to the line of business in
1457 which the retailer so owned or controlled is engaged; (viii) being the
1458 assignee of a person engaged in the business of leasing tangible
1459 personal property to others, where leased property of such person is
1460 situated within this state and such assignee has a security interest, as

1461 defined in subdivision (35) of subsection (b) of section 42a-1-201, in
1462 such property; (ix) notwithstanding the fact that retail sales of items of
1463 tangible personal property are made from outside this state to a
1464 destination within this state and that a place of business is not
1465 maintained in this state, repairing or servicing such items, under a
1466 warranty, in this state, either directly or indirectly through an agent,
1467 independent contractor or subsidiary; and (x) selling tangible personal
1468 property or services through an agreement with a person located in
1469 this state, under which such person located in this state, for a
1470 commission or other consideration that is based upon the sale of
1471 tangible personal property or services by the retailer, directly or
1472 indirectly refers potential customers, whether by a link on an Internet
1473 web site or otherwise, to the retailer, provided the cumulative gross
1474 receipts from sales by the retailer to customers in the state who are
1475 referred to the retailer by all such persons with this type of agreement
1476 with the retailer is in excess of two thousand dollars during the four
1477 preceding four quarterly periods ending on the last day of March,
1478 June, September and December.

1479 (B) A retailer who has contracted with a commercial printer for
1480 printing and distribution of printed material shall not be deemed to be
1481 engaged in business in this state because of the ownership or leasing
1482 by the retailer of tangible or intangible personal property located at the
1483 premises of the commercial printer in this state, the sale by the retailer
1484 of property of any kind produced or processed at and shipped or
1485 distributed from the premises of the commercial printer in this state,
1486 the activities of the retailer's employees or agents at the premises of the
1487 commercial printer in this state, which activities relate to quality
1488 control, distribution or printing services performed by the printer, or
1489 the activities of any kind performed by the commercial printer in this
1490 state for or on behalf of the retailer.

1491 (C) A retailer not otherwise a retailer engaged in business in the
1492 state who purchases fulfillment services carried on in this state by a
1493 person other than an affiliated person, or who owns tangible personal
1494 property located on the premises of an unaffiliated person performing

1495 fulfillment services for such retailer shall not be deemed to be engaged
1496 in business in the state. For purposes of this subparagraph, persons are
1497 affiliated persons with respect to each other where one of such persons
1498 has an ownership interest of more than five per cent, whether direct or
1499 indirect, in the other, or where an ownership interest of more than five
1500 per cent, whether direct or indirect, is held in each of such persons by
1501 another person or by a group of other persons who are affiliated
1502 persons with respect to each other. For purposes of this subparagraph,
1503 "fulfillment services" means services that are performed by a person on
1504 its premises on behalf of a purchaser of such services and that involve
1505 the receipt of orders from the purchaser of such services or an agent
1506 thereof, which orders are to be filled by the person from an inventory
1507 of products that are offered for sale by the purchaser of such services,
1508 and the shipment of such orders to customers of the purchaser of such
1509 services.

1510 (D) A retailer not otherwise a retailer engaged in business in this
1511 state that participates in a trade show or shows at the convention
1512 center, as defined in subdivision (3) of section 32-600, shall not be
1513 deemed to be engaged in business in this state, regardless of whether
1514 the retailer has employees or other staff present at such trade shows,
1515 provided the retailer's activity at such trade shows is limited to
1516 displaying goods or promoting services, no sales are made, any orders
1517 received are sent outside this state for acceptance or rejection and are
1518 filled from outside this state, and provided further that such
1519 participation is not more than fourteen days, or part thereof, in the
1520 aggregate during the retailer's income year for federal income tax
1521 purposes.

1522 (16) "Hotel" means any building regularly used and kept open as
1523 such for the feeding and lodging of guests where any person who
1524 conducts himself properly and who is able and ready to pay for such
1525 services is received if there are accommodations for such person and
1526 which derives the major portion of its operating receipts from the
1527 renting of rooms and the sale of food. "Hotel" [shall include] includes
1528 any apartment hotel wherein apartments are rented for fixed periods

1529 of time, furnished or unfurnished, while the keeper of such hotel
1530 supplies food to the occupants thereof, if required, but does not
1531 include a bed and breakfast establishment.

1532 (17) "Lodging house" means any building or portion of a building,
1533 other than a hotel, [or] an apartment hotel or a bed and breakfast
1534 establishment, in which persons are lodged for hire with or without
1535 meals, including, but not limited to, any motel, motor court, motor inn,
1536 tourist court, furnished residence or similar accommodation; provided
1537 the terms "hotel", "apartment hotel", [and] "lodging house" and "bed
1538 and breakfast" shall not be construed to include: (A) Privately owned
1539 and operated convalescent homes, residential care homes, homes for
1540 the infirm, indigent or chronically ill; (B) religious or charitable homes
1541 for the aged, infirm, indigent or chronically ill; (C) privately owned
1542 and operated summer camps for children; (D) summer camps for
1543 children operated by religious or charitable organizations; (E) lodging
1544 accommodations at educational institutions; or (F) lodging
1545 accommodations at any facility operated by and in the name of any
1546 nonprofit charitable organization, provided the income from such
1547 lodging accommodations at such facility is not subject to federal
1548 income tax.

1549 (18) "Operator" means any person operating a hotel, [or] lodging
1550 house or bed and breakfast establishment in the state, including, but
1551 not limited to, the owner or proprietor of such premises, lessee,
1552 sublessee, mortgagee in possession, licensee or any other person
1553 otherwise operating such hotel, [or] lodging house or bed and
1554 breakfast establishment.

1555 (19) "Occupancy" means the use or possession, or the right to the
1556 use or possession, of any room or rooms in a hotel, [or] lodging house
1557 or bed and breakfast establishment, or the right to the use or
1558 possession of the furnishings or the services and accommodations
1559 accompanying the use and possession of such room or rooms, for the
1560 first period of not more than thirty consecutive calendar days.

1561 (20) "Room" means any room or rooms of any kind in any part or
1562 portion of a hotel, [or] lodging house or bed and breakfast
1563 establishment let out for use or possession for lodging purposes.

1564 (21) "Rent" means the consideration received for occupancy and any
1565 meals included with such occupancy, valued in money, whether
1566 received in money or otherwise, including all receipts, cash, credits
1567 and property or services of any kind or nature, and also any amount
1568 for which credit is allowed by the operator to the occupant, without
1569 any deduction therefrom whatsoever.

1570 (22) "Certificated air carrier" means a person issued a certificate or
1571 certificates by the Federal Aviation Administration pursuant to Title
1572 14, Chapter I, Subchapter G, Part 121, 135, 139 or 141 of the Code of
1573 Federal Regulations or the Civil Aeronautics Board pursuant to Title
1574 14, Chapter II, Subchapter A, Parts 201 to 208, inclusive, and 298 of the
1575 Code of Federal Regulations, as such regulations may hereafter be
1576 amended or reclassified.

1577 (23) "Aircraft" means aircraft, as the term is defined in section 15-34.

1578 (24) "Vessel" means vessel, as the term is defined in section 15-127.

1579 (25) "Licensed marine dealer" means a marine dealer, as the term is
1580 defined in section 15-141, who has been issued a marine dealer's
1581 certificate by the Commissioner of Energy and Environmental
1582 Protection.

1583 (26) (A) "Telecommunications service" means the electronic
1584 transmission, conveyance or routing of voice, image, data, audio, video
1585 or any other information or signals to a point or between or among
1586 points. "Telecommunications service" includes such transmission,
1587 conveyance or routing in which computer processing applications are
1588 used to act on the form, code or protocol of the content for purposes of
1589 transmission, conveyance or routing without regard to whether such
1590 service is referred to as a voice over Internet protocol service or is
1591 classified by the Federal Communications Commission as enhanced or

1592 value added. "Telecommunications service" does not include (i) value-
1593 added nonvoice data services, (ii) radio and television audio and video
1594 programming services, regardless of the medium, including the
1595 furnishing of transmission, conveyance or routing of such services by
1596 the programming service provider. Radio and television audio and
1597 video programming services shall include, but not be limited to, cable
1598 service as defined in 47 USC 522(6), audio and video programming
1599 services delivered by commercial mobile radio service providers, as
1600 defined in 47 CFR 20, and video programming service by certified
1601 competitive video service providers, (iii) any telecommunications
1602 service (I) rendered by a company in control of such service when
1603 rendered for private use within its organization, or (II) used, allocated
1604 or distributed by a company within its organization, including in such
1605 organization affiliates, as defined in section 33-840, for the purpose of
1606 conducting business transactions of the organization if such service is
1607 purchased or leased from a company rendering telecommunications
1608 service and such purchase or lease is subject to tax under this chapter,
1609 (iv) access or interconnection service purchased by a provider of
1610 telecommunications service from another provider of such service for
1611 purposes of rendering such service, provided the purchaser submits to
1612 the seller a certificate attesting to the applicability of this exclusion,
1613 upon receipt of which the seller is relieved of any tax liability for such
1614 sale so long as the certificate is taken in good faith by the seller, (v)
1615 data processing and information services that allow data to be
1616 generated, acquired, stored, processed or retrieved and delivered by
1617 an electronic transmission to a purchaser where such purchaser's
1618 primary purpose for the underlying transaction is the processed data
1619 or information, (vi) installation or maintenance of wiring equipment
1620 on a customer's premises, (vii) tangible personal property, (viii)
1621 advertising, including, but not limited to, directory advertising, (ix)
1622 billing and collection services provided to third parties, (x) Internet
1623 access service, (xi) ancillary services, and (xii) digital products
1624 delivered electronically, including, but not limited to, software, music,
1625 video, reading materials or ring tones.

1626 (B) For purposes of the tax imposed under this chapter (i) gross
1627 receipts from the rendering of telecommunications service shall
1628 include any subscriber line charge or charges as required by the
1629 Federal Communications Commission and any charges for access
1630 service collected by any person rendering such service unless
1631 otherwise excluded from such gross receipts under this chapter, and
1632 such gross receipts from the rendering of telecommunications service
1633 shall also include any charges for vertical service, for the installation or
1634 maintenance of wiring equipment on a customer's premises, and for
1635 directory assistance service; (ii) gross receipts from the rendering of
1636 telecommunications service shall not include any local charge for calls
1637 from public or semipublic telephones; and (iii) gross receipts from the
1638 rendering of telecommunications service shall not include any charge
1639 for calls purchased using a prepaid telephone calling service, as
1640 defined in subdivision (34) of this subsection.

1641 (27) "Community antenna television service" means (A) the one-way
1642 transmission to subscribers of video programming or information by
1643 cable, fiber optics, satellite, microwave or any other means, and
1644 subscriber interaction, if any, which is required for the selection of
1645 such video programming or information, and (B) noncable
1646 communications service, as defined in section 16-1, unless such
1647 noncable communications service is purchased by a cable network as
1648 that term is used in subsection (k) of section 12-218.

1649 (28) "Hospital" means a hospital included within the definition of
1650 health care facilities or institutions under section 19a-630 and licensed
1651 as a short-term general hospital by the Department of Public Health,
1652 but does not include (A) any hospital which, on January 30, 1997, is
1653 within the class of hospitals licensed by the department as children's
1654 general hospitals, or (B) a short-term acute hospital operated
1655 exclusively by the state other than a short-term acute hospital operated
1656 by the state as a receiver pursuant to chapter 920.

1657 (29) "Patient care services" means therapeutic and diagnostic
1658 medical services provided by the hospital to inpatients and outpatients

1659 including tangible personal property transferred in connection with
1660 such services.

1661 (30) "Another state" or "other state" means any state of the United
1662 States or the District of Columbia excluding the state of Connecticut.

1663 (31) "Professional employer agreement" means a written contract
1664 between a professional employer organization and a service recipient
1665 whereby the professional employer organization agrees to provide at
1666 least seventy-five per cent of the employees at the service recipient's
1667 worksite, which contract provides that such worksite employees are
1668 intended to be permanent employees rather than temporary
1669 employees, and employer responsibilities for such worksite
1670 employees, including hiring, firing and disciplining, are allocated
1671 between the professional employer organization and the service
1672 recipient.

1673 (32) "Professional employer organization" means any person that
1674 enters into a professional employer agreement with a service recipient
1675 whereby the professional employer organization agrees to provide at
1676 least seventy-five per cent of the employees at the service recipient's
1677 worksite.

1678 (33) "Worksite employee" means an employee, the employer
1679 responsibilities for which, including hiring, firing and disciplining, are
1680 allocated, under a professional employer agreement, between a
1681 professional employer organization and a service recipient.

1682 (34) "Prepaid telephone calling service" means the right to
1683 exclusively purchase telecommunications service, that must be paid for
1684 in advance and that enables the origination of calls using an access
1685 number or authorization code, or both, whether manually or
1686 electronically dialed, provided the remaining amount of units of
1687 service that have been prepaid shall be known on a continuous basis.

1688 (35) "Canned or prewritten software" means all software, other than
1689 custom software, that is held or existing for general or repeated sale,

1690 license or lease. Software initially developed as custom software for in-
1691 house use and subsequently sold, licensed or leased to unrelated third
1692 parties shall be considered canned or prewritten software.

1693 (36) "Custom software" means a computer program prepared to the
1694 special order of a single customer.

1695 (37) "Services" for purposes of subdivision (2) of this subsection,
1696 means:

1697 (A) Computer and data processing services, including, but not
1698 limited to, time, programming, code writing, modification of existing
1699 programs, feasibility studies and installation and implementation of
1700 software programs and systems even where such services are rendered
1701 in connection with the development, creation or production of canned
1702 or custom software or the license of custom software;

1703 (B) Credit information and reporting services;

1704 (C) Services by employment agencies and agencies providing
1705 personnel services;

1706 (D) Private investigation, protection, patrol work, watchman and
1707 armored car services, exclusive of (i) services of off-duty police officers
1708 and off-duty firefighters, and (ii) coin and currency services provided
1709 to a financial services company by or through another financial
1710 services company. For purposes of this subparagraph, "financial
1711 services company" has the same meaning as provided under
1712 subparagraphs (A) to (H), inclusive, of subdivision (6) of subsection (a)
1713 of section 12-218b;

1714 (E) Painting and lettering services;

1715 (F) Photographic studio services;

1716 (G) Telephone answering services;

1717 (H) Stenographic services;

1718 (I) Services to industrial, commercial or income-producing real
1719 property, including, but not limited to, such services as management,
1720 electrical, plumbing, painting and carpentry, provided
1721 income-producing property shall not include property used
1722 exclusively for residential purposes in which the owner resides and
1723 which contains no more than three dwelling units, or a housing facility
1724 for low and moderate income families and persons owned or operated
1725 by a nonprofit housing organization, as defined in subdivision (29) of
1726 section 12-412;

1727 (J) Business analysis, management, management consulting and
1728 public relations services, excluding (i) any environmental consulting
1729 services, (ii) any training services provided by an institution of higher
1730 education licensed or accredited by the Board of Regents for Higher
1731 Education or Office of Higher Education pursuant to sections 10a-35a
1732 and 10a-34, respectively, and (iii) on and after January 1, 1994, any
1733 business analysis, management, management consulting and public
1734 relations services when such services are rendered in connection with
1735 an aircraft leased or owned by a certificated air carrier or in connection
1736 with an aircraft which has a maximum certificated take-off weight of
1737 six thousand pounds or more;

1738 (K) Services providing "piped-in" music to business or professional
1739 establishments;

1740 (L) Flight instruction and chartering services by a certificated air
1741 carrier on an aircraft, the use of which for such purposes, but for the
1742 provisions of subdivision (4) of section 12-410 and subdivision (12) of
1743 section 12-411, would be deemed a retail sale and a taxable storage or
1744 use, respectively, of such aircraft by such carrier;

1745 (M) Motor vehicle repair services, including any type of repair,
1746 painting or replacement related to the body or any of the operating
1747 parts of a motor vehicle;

1748 (N) Motor vehicle parking, including the provision of space, other
1749 than metered space, in a lot having thirty or more spaces, excluding (i)

1750 space in a parking lot owned or leased under the terms of a lease of not
1751 less than ten years' duration and operated by an employer for the
1752 exclusive use of its employees, (ii) space in municipally operated
1753 railroad parking facilities in municipalities located within an area of
1754 the state designated as a severe nonattainment area for ozone under
1755 the federal Clean Air Act or space in a railroad parking facility in a
1756 municipality located within an area of the state designated as a severe
1757 nonattainment area for ozone under the federal Clean Air Act owned
1758 or operated by the state on or after April 1, 2000, (iii) space in a
1759 seasonal parking lot provided by an entity subject to the exemption set
1760 forth in subdivision (1) of section 12-412, and (iv) space in a
1761 municipally owned parking lot;

1762 (O) Radio or television repair services;

1763 (P) Furniture reupholstering and repair services;

1764 (Q) Repair services to any electrical or electronic device, including,
1765 but not limited to, equipment used for purposes of refrigeration or
1766 air-conditioning;

1767 (R) Lobbying or consulting services for purposes of representing the
1768 interests of a client in relation to the functions of any governmental
1769 entity or instrumentality;

1770 (S) Services of the agent of any person in relation to the sale of any
1771 item of tangible personal property for such person, exclusive of the
1772 services of a consignee selling works of art, as defined in subsection (b)
1773 of section 12-376c, or articles of clothing or footwear intended to be
1774 worn on or about the human body other than (i) any special clothing
1775 or footwear primarily designed for athletic activity or protective use
1776 and which is not normally worn except when used for the athletic
1777 activity or protective use for which it was designed, and (ii) jewelry,
1778 handbags, luggage, umbrellas, wallets, watches and similar items
1779 carried on or about the human body but not worn on the body, under
1780 consignment, exclusive of services provided by an auctioneer;

- 1781 (T) Locksmith services;
- 1782 (U) Advertising or public relations services, including layout, art
1783 direction, graphic design, mechanical preparation or production
1784 supervision, not related to the development of media advertising or
1785 cooperative direct mail advertising;
- 1786 (V) Landscaping and horticulture services;
- 1787 (W) Window cleaning services;
- 1788 (X) Maintenance services;
- 1789 (Y) Janitorial services;
- 1790 (Z) Exterminating services;
- 1791 (AA) Swimming pool cleaning and maintenance services;
- 1792 (BB) Miscellaneous personal services included in industry group 729
1793 in the Standard Industrial Classification Manual, United States Office
1794 of Management and Budget, 1987 edition, or U.S. industry 532220,
1795 812191, 812199 or 812990 in the North American Industrial
1796 Classification System United States Manual, United States Office of
1797 Management and Budget, 1997 edition, exclusive of (i) services
1798 rendered by massage therapists licensed pursuant to chapter 384a, and
1799 (ii) services rendered by an electrologist licensed pursuant to chapter
1800 388;
- 1801 (CC) Any repair or maintenance service to any item of tangible
1802 personal property including any contract of warranty or service related
1803 to any such item;
- 1804 (DD) Business analysis, management or managing consulting
1805 services rendered by a general partner, or an affiliate thereof, to a
1806 limited partnership, provided (i) the general partner, or an affiliate
1807 thereof, is compensated for the rendition of such services other than
1808 through a distributive share of partnership profits or an annual

1809 percentage of partnership capital or assets established in the limited
1810 partnership's offering statement, and (ii) the general partner, or an
1811 affiliate thereof, offers such services to others, including any other
1812 partnership. As used in this subparagraph "an affiliate of a general
1813 partner" means an entity which is directly or indirectly owned fifty per
1814 cent or more in common with a general partner;

1815 (EE) Notwithstanding the provisions of section 12-412, except
1816 subdivision (87) of said section 12-412, patient care services, as defined
1817 in subdivision (29) of this subsection by a hospital, except that "sale"
1818 and "selling" does not include such patient care services for which
1819 payment is received by the hospital during the period commencing
1820 July 1, 2001, and ending June 30, 2003;

1821 (FF) Health and athletic club services, exclusive of (i) any such
1822 services provided without any additional charge which are included in
1823 any dues or initiation fees paid to any such club, which dues or fees
1824 are subject to tax under section 12-543, and (ii) any such services
1825 provided by a municipality or an organization that is described in
1826 Section 501(c) of the Internal Revenue Code of 1986, or any subsequent
1827 corresponding internal revenue code of the United States, as from time
1828 to time amended;

1829 (GG) Motor vehicle storage services, including storage of motor
1830 homes, campers and camp trailers, other than the furnishing of space
1831 as described in subparagraph (P) of subdivision (2) of this subsection;

1832 (HH) Packing and crating services, other than those provided in
1833 connection with the sale of tangible personal property by the retailer of
1834 such property;

1835 (II) Motor vehicle towing and road services, other than motor
1836 vehicle repair services;

1837 (JJ) Intrastate transportation services provided by livery services,
1838 including limousines, community cars or vans, with a driver. Intrastate
1839 transportation services shall not include transportation by taxicab,

1840 motor bus, ambulance or ambulette, scheduled public transportation,
1841 nonemergency medical transportation provided under the Medicaid
1842 program, paratransit services provided by agreement or arrangement
1843 with the state or any political subdivision of the state, dial-a-ride
1844 services or services provided in connection with funerals;

1845 (KK) Pet grooming and pet boarding services, except if such services
1846 are provided as an integral part of professional veterinary services,
1847 and pet obedience services;

1848 (LL) Services in connection with a cosmetic medical procedure. For
1849 purposes of this subparagraph, "cosmetic medical procedure" means
1850 any medical procedure performed on an individual that is directed at
1851 improving the individual's appearance and that does not meaningfully
1852 promote the proper function of the body or prevent or treat illness or
1853 disease. "Cosmetic medical procedure" includes, but is not limited to,
1854 cosmetic surgery, hair transplants, cosmetic injections, cosmetic soft
1855 tissue fillers, dermabrasion and chemical peel, laser hair removal, laser
1856 skin resurfacing, laser treatment of leg veins and sclerotherapy.
1857 "Cosmetic medical procedure" does not include reconstructive surgery.
1858 "Reconstructive surgery" includes any surgery performed on abnormal
1859 structures caused by or related to congenital defects, developmental
1860 abnormalities, trauma, infection, tumors or disease, including
1861 procedures to improve function or give a more normal appearance;

1862 (MM) Manicure services, pedicure services and all other nail
1863 services, regardless of where performed, including airbrushing, fills,
1864 full sets, nail sculpting, paraffin treatments and polishes;

1865 (NN) Spa services, regardless of where performed, including body
1866 waxing and wraps, peels, scrubs and facials; and

1867 (OO) Car wash services, including coin-operated car washes.

1868 (38) "Media payroll services company" means a retailer whose
1869 principal business activity is the management and payment of
1870 compensation, fringe benefits, workers' compensation, payroll taxes or

1871 assessments to individuals providing services to an eligible production
1872 company pursuant to section 12-217jj.

1873 (39) "Certified competitive video service" means video
1874 programming service provided through wireline facilities, a portion of
1875 which are located in the public right-of-way, without regard to
1876 delivery technology, including Internet protocol technology. "Certified
1877 competitive video service" does not include any video programming
1878 provided by a commercial mobile service provider, as defined in 47
1879 USC 332(d); any video programming provided as part of community
1880 antenna television service; any video programming provided as part
1881 of, and via, a service that enables users to access content, information,
1882 electronic mail or other services over the Internet.

1883 (40) "Directory assistance" means an ancillary service of providing
1884 telephone number information or address information.

1885 (41) "Vertical service" means an ancillary service that is offered in
1886 connection with one or more telecommunications services, offering
1887 advanced calling features that allow customers to identify callers and
1888 to manage multiple calls and call connections, including conference
1889 bridging services.

1890 (42) "Bed and breakfast establishment" means any private operator-
1891 occupied house, other than a hotel or lodging house, with twelve or
1892 fewer rooms in which persons are lodged for hire and a full morning
1893 meal is included in the rent.

1894 (b) Wherever in this chapter reference is made to the sale of tangible
1895 personal property or services, it shall be construed to include sales
1896 described in subdivision (2) of subsection (a) of this section, except as
1897 may be specifically provided to the contrary.

1898 Sec. 15. (NEW) (*Effective October 1, 2017*) (a) As used in this section:

1899 (1) "Attorney" means an attorney admitted to practice law in this
1900 state or one or more of the other states or jurisdictions of the United

1901 States;

1902 (2) "Certified public accountant" means a certified public accountant
1903 licensed pursuant to chapter 389 of the general statutes or a similar law
1904 of one or more of the other states or jurisdictions of the United States;

1905 (3) "Commissioner" means the Commissioner of Revenue Services
1906 or the commissioner's designee;

1907 (4) "Creditor" means any person who makes a refund anticipation
1908 loan or who takes an assignment of a refund anticipation loan;

1909 (5) "Facilitator" means a person that individually or in conjunction
1910 or cooperation with another person: (A) Solicits the execution of,
1911 processes, receives or accepts an application or agreement for a refund
1912 anticipation loan or refund anticipation check; (B) serves or collects
1913 upon a refund anticipation loan or refund anticipation check; or (C) in
1914 any other manner, facilitates the making of a refund anticipation loan
1915 or refund anticipation check. "Facilitator" does not include any
1916 employee of a facilitator who provides only clerical or other
1917 comparable support services to such facilitator;

1918 (6) "Person" has the same meaning as provided in section 12-1 of the
1919 general statutes;

1920 (7) "Refund anticipation check" means a check, debit card, stored
1921 value card or other payment mechanism that: (A) Represents the
1922 proceeds of a federal or state personal income tax refund; (B) is issued
1923 by a bank or other person that received a direct deposit of the tax
1924 refund or tax credits; and (C) is paid for by a fee or other
1925 consideration;

1926 (8) "Refund anticipation loan" means a loan that is secured by or
1927 that the creditor arranges to be repaid directly or indirectly from the
1928 proceeds of a federal or state personal income tax refund. "Refund
1929 anticipation loan" includes any sale, assignment or purchase of such
1930 tax refund at a discount or for a fee, whether or not the amount is

1931 required to be repaid to the buyer or assignee if the Internal Revenue
1932 Service or the Department of Revenue Services denies or reduces the
1933 amount of the tax refund;

1934 (9) "Return" means a tax return or report relating to the federal or
1935 state personal income tax administered by the Internal Revenue
1936 Service or the Department of Revenue Services;

1937 (10) "Tax preparation services" means the preparation of or
1938 assistance in the preparation of another person's federal or state
1939 personal income tax return, for a fee or other consideration; and

1940 (11) "Tax preparer" means an individual who provides federal or
1941 state personal income tax preparation services for a fee or other
1942 consideration.

1943 (b) (1) No person that provides tax preparation services or acts as a
1944 facilitator shall:

1945 (A) Impose any fee or other consideration in the making or
1946 facilitating of a refund anticipation loan or refund anticipation check
1947 other than the fee charged by the creditor or bank that originated such
1948 loan or check;

1949 (B) Engage in unfair or deceptive acts or practices in the making or
1950 facilitating of a refund anticipation loan or refund anticipation check,
1951 including making any written or oral statement that contradicts any
1952 information required to be disclosed under the Taxpayer Bill of Rights,
1953 as set forth in the Internal Revenue Code of 1986, or any subsequent
1954 corresponding internal revenue code of the United States, as amended
1955 from time to time, or the Connecticut Taxpayer's Bill of Rights, as set
1956 forth in section 12-39n of the general statutes;

1957 (C) Directly or indirectly arrange for a third party, other than the
1958 originating creditor or bank, to impose any interest, fee or charge
1959 related to a refund anticipation loan or refund anticipation check;

1960 (D) Include any of the following provisions in any documents

1961 provided with respect to a refund anticipation loan or refund
1962 anticipation check, including in the loan application or agreement: (i)
1963 A hold harmless clause; (ii) a confession of judgment clause; (iii) any
1964 assignment of or order for payment of wages or other compensation
1965 for services; (iv) a waiver of any provision of the Taxpayer Bill of
1966 Rights or the Connecticut Taxpayer's Bill of Rights; or (v) a waiver of
1967 the right to injunctive, declaratory or other equitable relief or relief on
1968 a class-wide basis;

1969 (E) Take or arrange for a creditor to take a security interest in any
1970 property interest of the taxpayer other than the proceeds of the tax
1971 refund to secure payment of a refund anticipation loan;

1972 (F) Engage in the collection of an outstanding or delinquent refund
1973 anticipation loan for any creditor or assignee;

1974 (G) Make a material misrepresentation of fact in obtaining or
1975 attempting to obtain a permit under section 16 of this act;

1976 (H) Fail or refuse to return to a taxpayer, within a reasonable period
1977 of time, any documents or copies of such documents provided by the
1978 taxpayer;

1979 (I) Fail or refuse to provide to a taxpayer, for the taxpayer's own
1980 records, a copy of any document requiring the taxpayer's signature,
1981 within a reasonable time after the taxpayer signs the document;

1982 (J) Fail to maintain a copy of any return prepared for a taxpayer for
1983 a period of four years from the date of completion or the due date of
1984 the return, whichever is later;

1985 (K) Require or allow a taxpayer to sign blank or incomplete tax
1986 forms;

1987 (L) Require a taxpayer to designate the tax preparer or facilitator as
1988 the payee for a federal or state personal income tax refund; or

1989 (M) Require a taxpayer to designate and use a specific depository

1990 institution or debit card or stored value card provider for the purposes
1991 of receiving a federal or state personal income tax refund.

1992 (2) Each tax preparer preparing any return shall sign the return and
1993 include his or her preparer tax identification number issued by the
1994 Internal Revenue Service.

1995 (3) The commissioner may impose on any person providing tax
1996 preparation services or acting as a facilitator that violates any
1997 provision of subdivision (1) or (2) of this subsection a civil penalty of
1998 not more than five hundred dollars for each violation. Subject to the
1999 provisions of section 12-3a of the general statutes, the commissioner
2000 may waive all or part of the penalty provided under this subdivision
2001 when it is proven to the commissioner's satisfaction that the violation
2002 was due to reasonable cause and not intentional or due to neglect.

2003 Sec. 16. (NEW) (*Effective October 1, 2018*) (a) As used in sections 16 to
2004 18, inclusive, of this act, "attorney", "certified public accountant",
2005 "commissioner", "creditor", "facilitator", "refund anticipation check",
2006 "refund anticipation loan", "return", "tax preparation services" and "tax
2007 preparer" have the same meanings as provided in section 15 of this act,
2008 and "commercial tax return preparation business" means a person that
2009 employs tax preparers.

2010 (b) (1) On and after January 1, 2019, no person, except as provided
2011 in subsection (e) of this section, shall engage in the business of, solicit
2012 business as or advertise as furnishing tax preparation services or acting
2013 as a facilitator or make representations to be a tax preparer or
2014 facilitator, without a tax preparer permit or a facilitator permit, as
2015 applicable, issued by the commissioner. Each applicant for such permit
2016 and renewal of such permit shall apply by electronic means in the form
2017 and manner prescribed by the commissioner.

2018 (2) Each individual applying for a permit shall (A) be eighteen years
2019 of age or older, (B) have obtained a high school diploma, (C) possess a
2020 preparer tax identification number issued by the Internal Revenue
2021 Service that shall be used by the tax preparer or facilitator for each

2022 return such tax preparer is required to sign and each refund
2023 anticipation loan or refund anticipation check such facilitator is
2024 required to sign, and (D) present evidence satisfactory to the
2025 commissioner that the applicant has experience, education or training
2026 in tax preparation services, which evidence shall include, on and after
2027 January 1, 2020, a certificate of completion of an annual filing season
2028 program administered by the Internal Revenue Service.

2029 (3) The commissioner may issue a permit under this subsection to
2030 an applicant that presents evidence satisfactory to the commissioner
2031 that the applicant is authorized to act as a tax preparer or facilitator in
2032 a state that has professional requirements substantially similar to the
2033 requirements for tax preparers or facilitators in this state. The
2034 commissioner shall provide written notice of the commissioner's
2035 decision approving or denying an application for issuance or renewal
2036 of a permit not later than sixty days after receipt of the application.

2037 (4) The fee for an initial application shall be one hundred dollars. A
2038 permit issued pursuant to this subsection shall expire after two years
2039 and a tax preparer or facilitator seeking renewal shall submit a renewal
2040 application and renewal fee of fifty dollars.

2041 (5) If an individual acts as both a tax preparer and a facilitator, the
2042 commissioner shall issue a single permit covering both activities.

2043 (c) (1) If, at any time following the issuance or renewal of a permit
2044 issued pursuant to subsection (b) of this section, any information
2045 provided to the commissioner by the tax preparer or facilitator is no
2046 longer accurate, such tax preparer or facilitator shall promptly provide
2047 updated information to the commissioner.

2048 (2) The issuance of a tax preparer permit or a facilitator permit shall
2049 not be advertised as an endorsement by the commissioner of the tax
2050 preparer's or facilitator's services.

2051 (d) (1) On and after January 1, 2019, the commissioner may impose
2052 on any tax preparer or facilitator that has not been issued a permit

2053 pursuant to this section a civil penalty of one hundred dollars for each
2054 day that the commissioner finds such tax preparer or facilitator to have
2055 provided tax preparation services or acted as a facilitator.

2056 (2) On and after January 1, 2019, if a tax preparer, facilitator or
2057 commercial tax return preparation business employs an individual to
2058 provide tax preparation services or a person to act as a facilitator that
2059 is not exempt under subsection (e) of this section and has not been
2060 issued a permit pursuant to this section, the commissioner may impose
2061 on such employing tax preparer, facilitator or business a civil penalty
2062 of five hundred dollars per violation.

2063 (3) On and after January 1, 2019, whenever a tax preparer ceases to
2064 engage in the preparation of or in advising or assisting in the
2065 preparation of personal income tax returns or a facilitator ceases to
2066 engage in the activities of a facilitator, such tax preparer or facilitator
2067 may apply to the commissioner for inactive permit status. A permit
2068 that is granted inactive status shall not require renewal, except that
2069 such permit may be reactivated upon application to the commissioner
2070 with a payment of the renewal fee.

2071 (4) A tax preparer or facilitator whose permit is inactive shall
2072 neither act as a tax preparer or facilitator nor advertise such tax
2073 preparer's or facilitator's status as being permitted to act as a tax
2074 preparer or facilitator.

2075 (e) The following persons shall be exempt from the provisions of
2076 sections 16 to 18, inclusive, of this act:

2077 (1) An accountant holding (A) an active license issued by the State
2078 Board of Accountancy, or (B) a valid and active permit, license or
2079 equivalent professional credential issued by another state or
2080 jurisdiction of the United States;

2081 (2) An attorney and any person engaged in providing tax
2082 preparation services under the supervision of such attorney;

2083 (3) An individual enrolled to practice before the Internal Revenue
2084 Service under Circular 230;

2085 (4) An individual employed by a local, state or federal
2086 governmental agency while engaged in the performance of such
2087 person's official duties;

2088 (5) An individual serving as an employee of or assistant to a tax
2089 preparer or a person exempted under this subsection, in the
2090 performance of official duties for such tax preparer or exempt person;

2091 (6) An individual employed, full-time or part-time, to act as a tax
2092 preparer solely for the business purposes of such individual's
2093 employer;

2094 (7) A person acting as a fiduciary on behalf of an estate; and

2095 (8) An Internal Revenue Services qualified tax preparer, including,
2096 but not limited to, a tax preparer sponsored by the Tax Counseling for
2097 the Elderly program or the Volunteer Income Tax Assistance program.

2098 (f) The commissioner shall maintain a public registry containing the
2099 names and principal business address of each person holding a permit
2100 pursuant to this section.

2101 (g) The commissioner shall keep confidential any personal financial
2102 information gathered pursuant to an investigation of any alleged
2103 violation of sections 16 to 18, inclusive, of this act, unless disclosure is
2104 (1) considered necessary for the investigation or prosecution of an
2105 alleged violation of this section or any regulation or order adopted
2106 thereunder, or (2) otherwise expressly authorized under the provisions
2107 of federal or state law. For purposes of this subsection, "personal
2108 financial information" includes, but is not limited to, returns and
2109 return information, as defined under federal and state law.

2110 Sec. 17. (NEW) (*Effective October 1, 2018*) Prior to providing tax
2111 preparation services, a tax preparer shall provide to any person
2112 requesting such services a written disclosure that includes:

2113 (1) The tax preparer's name, principal business address and primary
2114 business telephone number;

2115 (2) An estimate of the total charge for completion of all requested
2116 tax preparation services; and

2117 (3) A warranty that the tax preparer shall, by encryption or other
2118 means, provide for the secure storage and transmission of a taxpayer's
2119 personal and tax record information.

2120 Sec. 18. (NEW) (*Effective October 1, 2018*) (a) (1) No tax preparer or
2121 facilitator shall do or commit any of the following acts or omissions,
2122 and the commissioner may deny the issuance of an initial or a renewal
2123 permit and may suspend or revoke any such permit for the following
2124 acts or omissions or for a violation of any provision of sections 16 and
2125 17 of this act:

2126 (A) Engage in a criminal act resulting in conviction of the tax
2127 preparer or facilitator or in unprofessional conduct resulting in final
2128 disciplinary action by the federal government, any state or jurisdiction
2129 of the United States, any other governmental agency or a professional
2130 licensing board or similar entity, provided such act or conduct is
2131 substantially related to qualification as a tax preparer or facilitator;

2132 (B) Procure or attempt to procure a permit under section 16 of this
2133 act by material misrepresentation or fraud; or

2134 (C) Violate, attempt to violate or assist in or abet the violation of any
2135 provision of section 16 or 17 of this act.

2136 (2) The commissioner may discipline a tax preparer or facilitator by
2137 (A) issuing a written warning, (B) suspending the tax preparer's or
2138 facilitator's permit for a period not to exceed one year, or (C) revoking
2139 such permit.

2140 (b) (1) The commissioner may issue a written order notifying a tax
2141 preparer or facilitator of the suspension or revocation of such tax
2142 preparer's or facilitator's permit for good cause shown. Such notice

2143 shall include the right of the tax preparer or facilitator to request, in
2144 writing, a hearing before the commissioner, provided such request is
2145 received by the commissioner not later than thirty days after the date
2146 of such notice.

2147 (2) If a hearing is timely requested, the commissioner shall, not later
2148 than thirty days after the receipt of the request, convene such hearing
2149 as a contested case in accordance with the provisions of chapter 54 of
2150 the general statutes. Not later than sixty days after the receipt of the
2151 request, the commissioner shall issue a final decision vacating,
2152 modifying or affirming the commissioner's order. Any person
2153 aggrieved by such final decision may appeal such decision in
2154 accordance with the provisions of section 4-183 of the general statutes.

2155 (c) Nothing in sections 15 to 18, inclusive, of this act shall be
2156 construed to prevent the state from pursuing any other remedy
2157 available under law for actions taken by a tax preparer or facilitator.

2158 Sec. 19. Subsection (b) of section 12-7a of the general statutes is
2159 repealed and the following is substituted in lieu thereof (*Effective from*
2160 *passage*):

2161 (b) [The commissioner shall annually] If requested by the Secretary
2162 of the Office of Policy and Management, the commissioner shall
2163 prepare, from the list prepared pursuant to subsection (a) of this
2164 section, a list of taxpayers who are delinquent in the payment of the
2165 corporation business tax under chapter 208. The list [shall be arranged
2166 in sequential order by the] may also include taxpayer identification
2167 [number] numbers assigned by the commissioner, [and shall be
2168 provided to the Secretary of the Office of Policy and Management not
2169 later than July fifteenth annually, commencing July 15, 1998.]

2170 Sec. 20. Subsection (b) of section 12-15 of the general statutes is
2171 repealed and the following is substituted in lieu thereof (*Effective from*
2172 *passage*):

2173 (b) The commissioner may disclose (1) returns or return information

2174 to (A) an authorized representative of another state agency or office,
2175 upon written request by the head of such agency or office, when
2176 required in the course of duty or when there is reasonable cause to
2177 believe that any state law is being violated, or (B) an authorized
2178 representative of an agency or office of the United States, upon written
2179 request by the head of such agency or office, when required in the
2180 course of duty or when there is reasonable cause to believe that any
2181 federal law is being violated, provided no such agency or office shall
2182 disclose such returns or return information, other than in a judicial or
2183 administrative proceeding to which such agency or office is a party
2184 pertaining to the enforcement of state or federal law, as the case may
2185 be, in a form which can be associated with, or otherwise identify,
2186 directly or indirectly, a particular taxpayer except that the names and
2187 addresses of jurors or potential jurors and the fact that the names were
2188 derived from the list of taxpayers pursuant to chapter 884 may be
2189 disclosed by the Judicial Branch; (2) returns or return information to
2190 the Auditors of Public Accounts, when required in the course of duty
2191 under chapter 23; (3) returns or return information to tax officers of
2192 another state or of a Canadian province or of a political subdivision of
2193 such other state or province or of the District of Columbia or to any
2194 officer of the United States Treasury Department or the United States
2195 Department of Health and Human Services, authorized for such
2196 purpose in accordance with an agreement between this state and such
2197 other state, province, political subdivision, the District of Columbia or
2198 department, respectively, when required in the administration of taxes
2199 imposed under the laws of such other state, province, political
2200 subdivision, the District of Columbia or the United States, respectively,
2201 and when a reciprocal arrangement exists; (4) returns or return
2202 information in any action, case or proceeding in any court of
2203 competent jurisdiction, when the commissioner or any other state
2204 department or agency is a party, and when such information is directly
2205 involved in such action, case or proceeding; (5) returns or return
2206 information to a taxpayer or its authorized representative, upon
2207 written request for a return filed by or return information on such
2208 taxpayer; (6) returns or return information to a successor, receiver,

2209 trustee, executor, administrator, assignee, guardian or guarantor of a
2210 taxpayer, when such person establishes, to the satisfaction of the
2211 commissioner, that such person has a material interest which will be
2212 affected by information contained in such returns or return
2213 information; (7) information to the assessor or an authorized
2214 representative of the chief executive officer of a Connecticut
2215 municipality, when the information disclosed is limited to (A) a list of
2216 real or personal property that is or may be subject to property taxes in
2217 such municipality, or (B) a list containing the name of each person who
2218 is issued any license, permit or certificate which is required, under the
2219 provisions of this title, to be conspicuously displayed and whose
2220 address is in such municipality; (8) real estate conveyance tax return
2221 information or controlling interest transfer tax return information to
2222 the town clerk or an authorized representative of the chief executive
2223 officer of a Connecticut municipality to which the information relates;
2224 (9) estate tax returns and estate tax return information to the Probate
2225 Court Administrator or to the court of probate for the district within
2226 which a decedent resided at the date of the decedent's death, or within
2227 which the commissioner contends that a decedent resided at the date
2228 of the decedent's death or, if a decedent died a nonresident of this
2229 state, in the court of probate for the district within which real estate or
2230 tangible personal property of the decedent is situated, or within which
2231 the commissioner contends that real estate or tangible personal
2232 property of the decedent is situated; (10) returns or return information
2233 to the (A) Secretary of the Office of Policy and Management for
2234 purposes of subsection (b) of section 12-7a, as amended by this act, and
2235 (B) Office of Fiscal Analysis for purposes of, and subject to the
2236 provisions of, subdivision (2) of subsection (f) of section 12-7b; (11)
2237 return information to the Jury Administrator, when the information
2238 disclosed is limited to the names, addresses, federal Social Security
2239 numbers and dates of birth, if available, of residents of this state, as
2240 defined in subdivision (1) of subsection (a) of section 12-701; (12)
2241 [pursuant to regulations adopted by the commissioner,] returns or
2242 return information to any person to the extent necessary in connection
2243 with the processing, storage, transmission or reproduction of such

2244 returns or return information, and the programming, maintenance,
2245 repair, testing or procurement of equipment, or the providing of other
2246 services, for purposes of tax administration; (13) without written
2247 request and unless the commissioner determines that disclosure would
2248 identify a confidential informant or seriously impair a civil or criminal
2249 tax investigation, returns and return information which may constitute
2250 evidence of a violation of any civil or criminal law of this state or the
2251 United States to the extent necessary to apprise the head of such
2252 agency or office charged with the responsibility of enforcing such law,
2253 in which event the head of such agency or office may disclose such
2254 return information to officers and employees of such agency or office
2255 to the extent necessary to enforce such law; (14) names and addresses
2256 of operators, as defined in section 12-407, as amended by this act, to
2257 tourism districts, as defined in section 10-397; (15) names of each
2258 licensed dealer, as defined in section 12-285, and the location of the
2259 premises covered by the dealer's license; (16) to a tobacco product
2260 manufacturer that places funds into escrow pursuant to the provisions
2261 of subsection (a) of section 4-28i, return information of a distributor
2262 licensed under the provisions of chapter 214 or chapter 214a, provided
2263 the information disclosed is limited to information relating to such
2264 manufacturer's sales to consumers within this state, whether directly
2265 or through a distributor, dealer or similar intermediary or
2266 intermediaries, of cigarettes, as defined in section 4-28h, and further
2267 provided there is reasonable cause to believe that such manufacturer is
2268 not in compliance with section 4-28i; (17) returns, which shall not
2269 include a copy of the return filed with the commissioner, or return
2270 information for purposes of section 12-217z; (18) returns or return
2271 information to the State Elections Enforcement Commission, upon
2272 written request by said commission, when necessary to investigate
2273 suspected violations of state election laws; and (19) returns or return
2274 information for purposes of, and subject to the conditions of,
2275 subsection (e) of section 5-240.

2276 Sec. 21. Section 12-39cc of the general statutes is repealed and the
2277 following is substituted in lieu thereof (*Effective from passage*):

2278 (a) The Commissioner of Revenue Services [shall enter into
2279 agreements with] and financial institutions, as defined in Section
2280 469A(d)(1) of the Social Security Act, as amended from time to time,
2281 doing business in this state, [to] shall develop and operate a data
2282 match system using automated data exchanges to the maximum extent
2283 feasible and enter into agreements regarding the administration of
2284 such system. The commissioner may waive, for any financial
2285 institution, the requirement to enter into such agreement.
2286 Notwithstanding the provisions of section 12-15, as amended by this
2287 act, the commissioner or the commissioner's designee shall provide to
2288 each financial institution a list of taxpayers who owe taxes to the state,
2289 which taxes are finally due and payable and with respect to which
2290 every administrative or judicial remedy, or both, has been exhausted
2291 or has lapsed. Such list shall include each taxpayer's address, Social
2292 Security number or other taxpayer identification number and such
2293 other information as may be necessary or convenient for the
2294 administration of the data match system. Not later than ninety days
2295 after receipt of such list from the commissioner, each financial
2296 institution shall provide the commissioner with [the names of] account
2297 information for those taxpayers who appear on the commissioner's list
2298 and who maintain an account with such financial institution, including
2299 the taxpayer's name, the address and Social Security number or other
2300 taxpayer identification number associated with each such account,
2301 [and a statement as to whether the balance of each such account
2302 exceeds one thousand dollars] the account number and balance in each
2303 such account and such other information as may be required by the
2304 commissioner for the purposes of administering the data match
2305 system. For the purposes of this section, "account" means a demand
2306 deposit account, checking or negotiable order of withdrawal account,
2307 savings account, time deposit account or money market mutual fund
2308 account.

2309 (b) (1) A financial institution shall not be liable to any person for
2310 [(1)] (A) disclosing information to the [Commissioner of Revenue
2311 Services] commissioner or the commissioner's designee pursuant to

2312 this section, or [(2)] (B) any other action taken in good faith to comply
2313 with the requirements of subsection (a) of this section.

2314 (2) Notwithstanding the provisions of section 12-15, as amended by
2315 this act, a financial institution may provide return information
2316 received pursuant to the data match system to (A) a service provider
2317 engaged by the financial institution to carry out the data processing
2318 and data receipt and transmission functions, to the extent necessary for
2319 the financial institution to comply with the requirements of subsection
2320 (a) of this section, and (B) an authorized representative of a
2321 government regulatory authority having jurisdiction over the financial
2322 institution, to the extent required by such representative in the course
2323 of such representative's duties. No person receiving return information
2324 pursuant to this subdivision shall further disclose such return
2325 information.

2326 Sec. 22. Section 12-80b of the general statutes is repealed and the
2327 following is substituted in lieu thereof (*Effective from passage*):

2328 (a) (1) Each taxpayer described in subsection (a) of section 12-80a
2329 that owns tangible personal property used both to render
2330 telecommunications service subject to tax under chapter 219 and to
2331 render community antenna television service or a certified competitive
2332 video service subject to tax under [said] chapter 219 [,] shall have part
2333 of such property taxed as provided in [said] section 12-80a and part of
2334 such property exempt from property tax in accordance with section 12-
2335 268j.

2336 (2) The portion of such property to be taxed as provided in section
2337 12-80a and the portion exempt under section 12-268j shall be computed
2338 [as provided in regulations adopted by the Commissioner of Revenue
2339 Services in accordance with the provisions of chapter 54] on the basis
2340 of the taxpayer's gross receipts from rendering telecommunications
2341 service or a certified competitive video service, as defined in chapter
2342 219, and from rendering community antenna television service, as
2343 defined in [said] chapter 219, or on some other basis permitted under

2344 [such] regulations the commissioner may adopt in accordance with the
2345 provisions of chapter 54.

2346 (b) (1) Each taxpayer not described in subsection (a) of section 12-
2347 80a that owns tangible personal property used both to render
2348 telecommunications service subject to tax under chapter 219 and to
2349 render community antenna television service or a certified competitive
2350 video service subject to tax under [said] chapter 219 shall have part of
2351 such property taxed as provided in this chapter, without regard to
2352 [said] section 12-80a, and part of such property exempt from property
2353 tax in accordance with section 12-268j.

2354 (2) The portion of such property to be taxed as provided in this
2355 chapter, without regard to section 12-80a and the portion exempt
2356 under section 12-268j, shall be computed [as provided in regulations
2357 adopted by the Commissioner of Revenue Services in accordance with
2358 the provisions of chapter 54,] on the basis of the taxpayer's gross
2359 receipts from rendering telecommunications service, as defined in
2360 chapter 219, and from rendering community antenna television service
2361 or a certified competitive video service, as defined in [said] chapter
2362 219, or on some other basis permitted under [such] regulations the
2363 commissioner may adopt in accordance with the provisions of chapter
2364 54.

2365 (c) For purposes of this section, "assessment year" means the
2366 assessment year under this chapter.

2367 (d) For purposes of this section, "community antenna television
2368 service" shall include service provided by a holder of a certificate of
2369 cable franchise authority pursuant to section 16-331p.

2370 Sec. 23. Subdivision (28) of subsection (a) of section 12-213 of the
2371 general statutes is repealed and the following is substituted in lieu
2372 thereof (*Effective from passage*):

2373 (28) (A) "Captive real estate investment trust" means, except as
2374 provided in subparagraph (B) of this subdivision, a corporation, a trust

2375 or an association (i) that is considered a real estate investment trust for
2376 the taxable year under Section 856 of the Internal Revenue Code; (ii)
2377 that is not regularly traded on an established securities market; (iii) in
2378 which more than fifty per cent of the voting power, beneficial interests
2379 or shares are owned or controlled, directly or constructively, by a
2380 single entity that is subject to Subchapter C of Chapter 1 of the Internal
2381 Revenue Code; and (iv) that is not a qualified real estate investment
2382 trust, as defined in subdivision (3) of subsection (a) of section 12-217.
2383 Any voting power, beneficial interests or shares in a real estate
2384 investment trust that are directly owned or controlled by a segregated
2385 asset account of a life insurance company, as described in Section 817
2386 of the Internal Revenue Code, shall not be taken into account for
2387 purposes of determining whether a real estate investment trust is a
2388 captive real estate investment trust.

2389 (B) "Captive real estate investment trust" does not include a
2390 corporation, a trust or an association, in which more than fifty per cent
2391 of the entity's voting power, beneficial interests or shares are owned by
2392 a single entity described in subparagraph (A)(iii) of this subdivision
2393 that is owned or controlled, directly or constructively, by (i) a
2394 corporation, a trust or an association that is considered a real estate
2395 investment trust under Section 856 of the Internal Revenue Code; (ii) a
2396 person exempt from taxation under Section 501 of the Internal
2397 Revenue Code; (iii) a listed property trust or other foreign real estate
2398 investment trust that is organized in a country that has a tax treaty
2399 with the United States Treasury Department governing the tax
2400 treatment of these trusts; or (iv) a real estate investment trust that is
2401 intended to become regularly traded on an established securities
2402 market and that satisfies the requirements of Sections 856(a)(5) and
2403 856(a)(6) of the Internal Revenue Code, as determined under Section
2404 856(h) of the Internal Revenue Code.

2405 (C) For purposes of this subdivision, the constructive ownership
2406 rules of Section 318 of the Internal Revenue Code, as modified by
2407 Section 856(d)(5) of the Internal Revenue Code, apply to the
2408 determination of the ownership of stock, assets or net profits of any

2409 person;

2410 Sec. 24. Subsection (b) of section 12-222 of the general statutes is
2411 repealed and the following is substituted in lieu thereof (*Effective from*
2412 *passage, and applicable to income years commencing on or after January 1,*
2413 *2017*):

2414 (b) Such return shall be due on or before the [first] fifteenth day of
2415 the month next succeeding the due date of the company's
2416 corresponding federal income tax return for the income year,
2417 determined without regard to any extension of time for filing, or, in the
2418 case of any company that is not required to file a federal income tax
2419 return for the income year, on or before the [first] fifteenth day of the
2420 [fourth] fifth month next succeeding the end of the income year.

2421 Sec. 25. Subsection (d) of section 12-242d of the general statutes is
2422 repealed and the following is substituted in lieu thereof (*Effective from*
2423 *passage, and applicable to income years commencing on or after January 1,*
2424 *2017*):

2425 (d) For purposes of this section, the amount of the underpayment
2426 shall be the excess of the required installment, over the amount, if any,
2427 of the installment paid on or before the due date for the installment.
2428 The period of the underpayment shall run from the due date for the
2429 installment to whichever of the following dates is earlier: (1) The [first]
2430 fifteenth day of the [fourth] fifth month of the next succeeding income
2431 year; [.] or (2) with respect to any portion of the underpayment, the
2432 date on which such portion is paid. For purposes of this subsection, a
2433 payment of estimated tax shall be credited against unpaid required
2434 installments in the order in which such installments are required to be
2435 paid.

2436 Sec. 26. Subsection (a) of section 12-263m of the general statutes is
2437 repealed and the following is substituted in lieu thereof (*Effective*
2438 *October 1, 2017, and applicable to calendar quarters commencing on or after*
2439 *October 1, 2017*):

2440 (a) As used in this section: (1) "Eligible dry cleaning establishment"
2441 means any place of business engaged in the cleaning of clothing or
2442 other fabrics using tetrachlorethylene, Stoddard solvent or other
2443 chemicals, [or any place of business that accepts clothing or other
2444 fabrics to be cleaned by another establishment using such chemicals,]
2445 (2) "gross receipts at retail" means the total amount accruing from dry
2446 cleaning services, [at retail,] valued in money, without any deduction
2447 for the cost of the materials used, labor or service cost or any other
2448 expense, and (3) "eligible applicant" means (A) a business owner or
2449 operator of an eligible dry cleaning establishment, or (B) an owner of
2450 property that is or that was occupied by an eligible dry cleaning
2451 establishment.

2452 Sec. 27. Section 12-264 of the general statutes is repealed and the
2453 following is substituted in lieu thereof (*Effective October 1, 2017*):

2454 (a) Each (1) municipality, or department or agency thereof, or
2455 district manufacturing, selling or distributing gas to be used for light,
2456 heat or power, (2) company the principal business of which is
2457 manufacturing, selling or distributing gas or steam to be used for light,
2458 heat or power, including each foreign [municipal electric utility, as
2459 defined in section 12-59, and given authority to engage in business in
2460 this state pursuant to the provisions of section 16-246c] electric
2461 company, as defined in section 16-246f, that holds property in this
2462 state, and (3) company required to register pursuant to section 16-258a,
2463 shall pay a quarterly tax upon gross earnings from such operations in
2464 this state. Gross earnings from such operations under subdivisions (1)
2465 and (2) of this subsection shall include, as determined by the
2466 Commissioner of Revenue Services, (A) all income [classified as
2467 operating revenues by the Public Utilities Regulatory Authority]
2468 included in operating revenue accounts in the uniform systems of
2469 accounts prescribed by [said authority] the Public Utilities Regulatory
2470 Authority for operations within the taxable quarter and, with respect
2471 to each such company, (B) all income [classified] identified in said
2472 uniform systems of accounts as income from merchandising, jobbing
2473 and contract work, (C) all revenues identified in said uniform systems

2474 of accounts as income from nonutility operations, (D) all revenues
2475 [from lease of physical property not devoted to utility operation]
2476 identified in said uniform systems of accounts as nonoperating retail
2477 income, and (E) receipts from the sale of residuals and other by-
2478 products obtained in connection with the production of gas, electricity
2479 or steam. Gross earnings from such operations under subdivision (3) of
2480 this subsection shall be gross income from the sales of natural gas,
2481 provided gross income shall not include income from the sale of
2482 natural gas to an existing combined cycle facility comprised of three
2483 gas turbines providing electric generation services, as defined in
2484 section 16-1, with a total capacity of seven hundred seventy-five
2485 megawatts, for use in the production of electricity. Gross earnings of a
2486 gas company, as defined in section 16-1, shall not include income
2487 earned in a taxable quarter commencing prior to June 30, 2008, from
2488 the sale of natural gas or propane as a fuel for a motor vehicle. No
2489 deductions shall be allowed from such gross earnings for any
2490 commission, rebate or other payment, except a refund resulting from
2491 an error or overcharge and those specifically mentioned in section 12-
2492 265. Gross earnings of a company, as described in subdivision (2) of
2493 this subsection, shall not include income earned in any taxable quarter
2494 commencing on or after July 1, 2000, from the sale of steam.

2495 (b) (1) Each such company and municipality, or department or
2496 agency thereof, or district manufacturing, selling or distributing gas to
2497 be used for light, heat or power shall, on or before the last day of
2498 January, April, July and October of each year, render to the
2499 Commissioner of Revenue Services a return on forms prescribed or
2500 furnished by the commissioner and signed by its treasurer or the
2501 person performing the duties of treasurer, or by an authorized agent or
2502 officer, specifying (A) the name and location of such company or
2503 municipal utility, (B) the amount of gross earnings from operations for
2504 the quarter ending with the last day of the preceding month, (C) the
2505 gross earnings from the sale or rental of appliances using water, steam,
2506 gas or electricity and the cost of such appliances sold, cost to be
2507 interpreted as net invoice price plus transportation costs of such

2508 appliances, (D) the gross earnings from all sales for resale of water,
2509 steam, gas and electricity, whether or not the purchasers are public
2510 service corporations, municipal utilities, located in the state or subject
2511 to the tax imposed by this chapter, (E) the number of miles of water or
2512 steam pipes, gas mains or electric wires operated by such company or
2513 municipal utility within this state on the first day and on the last day
2514 of the calendar year immediately preceding, and (F) the number of
2515 miles of water or steam pipes, gas mains or electric wires wherever
2516 operated by such company or municipal utility on said dates. Gas
2517 pipeline and gas transmission companies [which] that do not
2518 manufacture or buy gas in this state for resale in this state shall be
2519 subject to the provisions of chapter 208 and shall not be subject to the
2520 provisions of this chapter and chapter 212a.

2521 (2) No person, firm, corporation or municipality that is chartered or
2522 authorized by this state to transmit or sell gas within a franchise area
2523 shall transmit gas for any person that sells gas to be used for light, heat
2524 or power to an end user or users located in this state, unless such seller
2525 has registered with the Department of Revenue Services for purposes
2526 of the tax imposed under this chapter. The provisions of this
2527 subdivision shall not apply to the transmission of gas for any seller
2528 that is a gas company, as defined in section 16-1, municipal gas utility
2529 established under chapter 101 or any other gas utility owned, leased,
2530 maintained, operated, managed or controlled by any unit of local
2531 government under any general statute or any public or special act, or a
2532 gas pipeline or gas transmission company subject to the provisions of
2533 chapter 208.

2534 (3) The Commissioner of Revenue Services may make public the
2535 names and addresses of each person that sells gas to be used for light,
2536 heat or power to an end user or users located in this state and has
2537 registered with the Department of Revenue Services for purposes of
2538 the tax imposed under this chapter, and that is not a gas company, as
2539 defined in section 16-1, a municipal gas utility established under
2540 chapter 101 or any other gas utility owned, leased, maintained,
2541 operated, managed or controlled by any unit of local government

2542 under any general statute or any public or special act, or a gas pipeline
2543 or gas transmission company subject to the provisions of chapter 208.

2544 (c) (1) Each electric distribution company, as defined in section 16-1,
2545 or municipality, or department or agency thereof, or district
2546 manufacturing, selling or distributing electricity to be used for light,
2547 heat or power, providing electric transmission services, as defined in
2548 [said] section 16-1, or electric distribution services, as defined in [said]
2549 section 16-1, shall pay a quarterly tax upon its gross earnings in each
2550 calendar quarter at the rate of (A) eight and one-half per cent of its
2551 gross earnings from providing electric transmission services or electric
2552 distribution services allocable to other than residential service, and (B)
2553 six and eight-tenths per cent of such gross earnings from providing
2554 electric transmission services or electric distribution services allocable
2555 to residential service.

2556 (2) For purposes of this subsection, gross earnings from providing
2557 electric transmission services or electric distribution services shall
2558 include (A) all income classified as income from providing electric
2559 transmission services or electric distribution services, [by the Public
2560 Utilities Regulatory Authority in the uniform system of accounts
2561 prescribed by said authority] as determined by the Commissioner of
2562 Revenue Services in consultation with the Public Utilities Regulatory
2563 Authority, and (B) the competitive transition assessment collected
2564 pursuant to section 16-245g, other than any component of such
2565 assessment that constitutes transition property as to which an electric
2566 distribution company has no right, title or interest pursuant to
2567 subsection (a) of section 16-245h, the systems benefits charge collected
2568 pursuant to section 16-245l, and the assessments charged under
2569 sections 16-245m and 16-245n. Such gross earnings shall not include
2570 income from providing electric transmission services or electric
2571 distribution services to a company described in subsection (c) of
2572 section 12-265.

2573 (3) Each electric distribution company and municipality, or
2574 department or agency thereof, or district manufacturing, selling or

2575 distributing electricity to be used for light, heat or power shall, on or
2576 before the last day of January, April, July and October of each year,
2577 render to the Commissioner of Revenue Services a return on forms
2578 prescribed or furnished by the commissioner and signed by its
2579 treasurer, or the person performing the duties of treasurer, or of an
2580 authorized agent or officer, with such other information as the
2581 Commissioner of Revenue Services deems necessary.

2582 (d) The tax imposed by this chapter is due and payable to the
2583 Commissioner of Revenue Services quarterly on or before the last day
2584 of the month next succeeding each calendar quarter.

2585 Sec. 28. Section 12-294 of the general statutes is repealed and the
2586 following is substituted in lieu thereof (*Effective July 1, 2017*):

2587 (a) If a distributor or dealer removes his or her business from one
2588 location to another during the period in which the license is in force,
2589 the commissioner shall transfer the license to the new location without
2590 an additional fee.

2591 (b) (1) If any distributor or dealer liable for any amount due under
2592 this chapter sells out his or her business or stock of goods or quits the
2593 business, such distributor's or dealer's successors or assigns shall
2594 withhold a sufficient amount of the purchase price to pay the amount
2595 due under this chapter from the distributor or dealer until the
2596 distributor or dealer provides to such successor or assignee a receipt
2597 from the commissioner showing that such amount has been paid or a
2598 certificate stating that no amount is due.

2599 (2) If any such successor or assignee fails to withhold the purchase
2600 price as required, such successor or assignee shall be personally liable
2601 for the payment of the amount required to be withheld by such
2602 successor or assignee to the extent of the purchase price, valued in
2603 money.

2604 (c) (1) No later than the sixtieth day after the latest of the dates
2605 specified in subdivision (2) of this subsection, the commissioner shall

2606 either issue the certificate stating that no amount is due or mail notice
2607 of the amount that must be paid as a condition of issuing the
2608 certificate. Such notice shall be mailed to such successor or assignee at
2609 such successor's or assignee's address as it appears on the records of
2610 the commissioner.

2611 (2) For purposes of subdivision (1) of this subsection, the latest of
2612 the following dates shall apply: (A) The date the commissioner
2613 receives a written request from the successor or assignee for a
2614 certificate; (B) the date of the sale of the business or stock of goods; or
2615 (C) the date the former owner's records are made available for audit.

2616 (d) Failure of the commissioner to mail the notice referred to in
2617 subsection (c) of this section shall release the successor or assignee
2618 from any further obligation to withhold the purchase price as provided
2619 in subsection (b) of this section. The period within which the obligation
2620 of the successor or assignee may be enforced shall commence on the
2621 date the [person] distributor or dealer sells out his or her business or
2622 stock of goods or quits the business or on the date that the assessment
2623 against such [person] distributor or dealer becomes final, whichever
2624 event occurs later, and shall end three years after such date.

2625 (e) The certificate provided for in subsection (c) of this section may
2626 be issued after the payment of all amounts due under this chapter,
2627 according to the records of the department as of the date of the
2628 certificate, or after the payment of the amounts is secured to the
2629 satisfaction of the commissioner.

2630 (f) The obligation of the successor or assignee shall be enforced by
2631 serving a notice of successor liability on the successor or assignee. The
2632 notice shall be served in the manner prescribed under section 12-309
2633 for service of a notice of assessment, not later than three years after the
2634 date the commissioner is notified by the successor or assignee of the
2635 purchase of the business or stock of goods. The successor or assignee
2636 may protest the assessment in the manner provided in section 12-311.
2637 Sixty days after the date on which a notice of assessment is mailed, an

2638 assessment shall become final except for any amount as to which the
2639 successor or assignee has filed a written protest with the
2640 commissioner, as provided in section 12-311.

2641 Sec. 29. Section 12-297 of the general statutes is repealed and the
2642 following is substituted in lieu thereof (*Effective from passage*):

2643 The tax imposed under the provisions of section 12-296 shall not
2644 apply: ~~[to] (1) To~~ cigarettes sold to any state institution other than a
2645 correctional institution for distribution to patients or inmates, or to
2646 cigarettes purchased with revolving funds under the jurisdiction of
2647 any state institution other than a correctional institution, when the
2648 cigarettes purchased are to be consumed by patients or inmates
2649 confined at such institution; ~~or (2) to the extent prohibited by federal~~
2650 law, to cigarettes sold to United States veterans' hospitals or to
2651 members of the armed forces of the United States through officially
2652 recognized agencies, established pursuant to regulations issued by the
2653 appropriate branch of the United States Armed Forces, that are
2654 physically located at military bases.

2655 Sec. 30. Section 12-330b of the general statutes is repealed and the
2656 following is substituted in lieu thereof (*Effective July 1, 2017*):

2657 (a) Each distributor or unclassified importer shall obtain a license
2658 issued by the commissioner before manufacturing, purchasing,
2659 importing, receiving or acquiring any untaxed tobacco products in this
2660 state. The commissioner may, in his or her discretion, refuse to issue a
2661 license if such commissioner has reasonable ground to believe (1) that
2662 the applicant has wilfully made any false statement of substance with
2663 respect to such application for license, (2) that the applicant has
2664 neglected to pay any taxes due to this state, or (3) that the applicant
2665 has been convicted of violating any of the cigarette or other tobacco
2666 product tax laws of this or any other state or the cigarette tax laws of
2667 the United States or has such a criminal record that the commissioner
2668 reasonably believes that such applicant is not a suitable person to be
2669 issued a license, provided no refusal shall be rendered under this

2670 subdivision except in accordance with the provisions of sections 46a-80
2671 and 46a-81. The fee for a distributor's license shall be two hundred
2672 dollars a year. There shall be no fee for an unclassified importer's
2673 license. Each distributor's license shall be conspicuously displayed on
2674 the premises covered by the license. Notwithstanding the provisions of
2675 section 12-15, as amended by this act, the commissioner shall publish
2676 on the Internet web site of the Department of Revenue Services a list of
2677 every distributor licensed under this chapter. The commissioner shall
2678 prescribe the form of application for a distributor's license and for an
2679 unclassified importer's license.

2680 (b) (1) If any distributor or unclassified importer liable for any
2681 amount due under this chapter sells out his or her business or stock of
2682 goods or quits the business, such distributor's or importer's successors
2683 or assigns shall withhold a sufficient amount of the purchase price to
2684 pay the amount due under this chapter from the distributor or
2685 importer until the distributor or importer provides to such successor or
2686 assignee a receipt from the commissioner showing that such amount
2687 has been paid or a certificate stating that no amount is due.

2688 (2) If any such successor or assignee fails to withhold the purchase
2689 price as required, such successor or assignee shall be personally liable
2690 for the payment of the amount required to be withheld by such
2691 successor or assignee to the extent of the purchase price, valued in
2692 money.

2693 (c) (1) Not later than the sixtieth day after the latest of the dates
2694 specified in subdivision (2) of this subsection, the commissioner shall
2695 either issue the certificate stating that no amount is due or mail notice
2696 of the amount that must be paid as a condition of issuing the
2697 certificate. Such notice shall be mailed to such successor or assignee at
2698 such successor's or assignee's address as it appears on the records of
2699 the commissioner.

2700 (2) For purposes of subdivision (1) of this subsection, the latest of
2701 the following dates shall apply: (A) The date the commissioner

2702 receives a written request from the successor or assignee for a
2703 certificate; (B) the date of the sale of the business or stock of goods; or
2704 (C) the date the former owner's records are made available for audit.

2705 (d) Failure of the commissioner to mail the notice referred to in
2706 subsection (c) of this section shall release the successor or assignee
2707 from any further obligation to withhold the purchase price as provided
2708 in subsection (b) of this section. The period within which the obligation
2709 of the successor or assignee may be enforced shall commence on the
2710 date the distributor or importer sells out his or her business or stock of
2711 goods or quits the business or on the date that the assessment against
2712 such distributor or importer becomes final, whichever event occurs
2713 later, and shall end three years after such date.

2714 (e) The certificate provided for in subsection (c) of this section may
2715 be issued after the payment of all amounts due under this chapter,
2716 according to the records of the department as of the date of the
2717 certificate, or after the payment of the amounts is secured to the
2718 satisfaction of the commissioner.

2719 (f) The obligation of the successor or assignee shall be enforced by
2720 serving a notice of successor liability on the successor or assignee. The
2721 notice shall be served in the manner prescribed under section 12-330i,
2722 as amended by this act, for service of a notice of assessment, not later
2723 than three years after the date the commissioner is notified by the
2724 successor or assignee of the purchase of the business or stock of goods.
2725 The successor or assignee may protest the assessment by requesting a
2726 hearing in accordance with the provisions of section 12-330l. Sixty days
2727 after the date on which a notice of assessment is mailed, an assessment
2728 shall become final except for any amount as to which the successor or
2729 assignee has requested a hearing with the commissioner in accordance
2730 with the provisions of section 12-330l.

2731 Sec. 31. Section 12-330i of the general statutes is repealed and the
2732 following is substituted in lieu thereof (*Effective October 1, 2017*):

2733 (a) (1) Each distributor and each unclassified importer shall keep

complete and accurate records of all tobacco products manufactured, produced, purchased and sold. Such records shall be of such kind and in such form as the commissioner may prescribe and shall be [safely preserved for three years in such manner as to ensure permanency and accessibility] maintained for three years on the premises where such tobacco products are possessed, stored or sold and shall be available at all times for inspection by the commissioner and [his] the commissioner's authorized agents. The commissioner and [his] the commissioner's authorized agents may examine the books, papers and records of any distributor or unclassified importer in this state for the purpose of determining whether the tax imposed by this chapter has been fully paid, and may investigate and examine the stock of tobacco products in or upon any premises where such tobacco products are possessed, stored or sold for the purpose of determining whether the provisions of this chapter are being obeyed. If, after an examination of the invoices, books and records of a licensed distributor or an unclassified importer, or if, from any other information obtained by [him or his] the commissioner or the commissioner's authorized agents, the commissioner determines that the report of any licensed distributor or licensed unclassified importer is incorrect, [he] the commissioner shall [thereupon] assess the deficiency in tax. Such amount shall bear interest at the rate of one per cent per month or fraction thereof from the date when the original tax was due and payable.

(2) When it appears that any part of the deficiency for which a deficiency assessment is made is due to negligence or intentional disregard of the provisions of this chapter or regulations promulgated thereunder, there shall be imposed a penalty equal to ten per cent of the amount of such deficiency assessment, or fifty dollars, whichever is greater. When it appears that any part of the deficiency for which a deficiency assessment is made is due to fraud or intent to evade the provisions of this chapter or regulations promulgated thereunder, there shall be imposed a penalty equal to twenty-five per cent of the amount of such deficiency assessment.

2768 (3) No taxpayer shall be subject to more than one penalty under this
2769 subsection in relation to the same tax period. The amount of any tax,
2770 penalty or interest due and unpaid under the provisions of this chapter
2771 may be collected under the provisions of section 12-35, as amended by
2772 this act. The warrant [therein] provided for under section 12-35, as
2773 amended by this act, shall be signed by the commissioner or [his] the
2774 commissioner's authorized agent. The amount of any such tax, penalty
2775 and interest shall be a lien, from the last day of the month next
2776 preceding the due date of such tax until discharged by payment,
2777 against all real estate of the taxpayer within the state, and a certificate
2778 of such lien signed by the commissioner may be filed for record in the
2779 office of the clerk of any town in which such real estate is situated,
2780 provided no such lien shall be effective as against any bona fide
2781 purchaser or qualified encumbrancer of any interest in any such
2782 property. When any tax with respect to which a lien has been recorded
2783 under the provisions of this section has been satisfied, the
2784 commissioner, upon request of any interested party, shall issue a
2785 certificate discharging such lien, which certificate shall be recorded in
2786 the same office in which the lien is recorded. Any action for the
2787 foreclosure of such lien shall be brought by the Attorney General in the
2788 name of the state in the superior court for the judicial district in which
2789 the property subject to such lien is situated, or, if such property is
2790 located in two or more judicial districts, in the superior court for any
2791 one such judicial district, and the court may limit the time for
2792 redemption or order the sale of such property or make such other or
2793 further decree as it judges equitable.

2794 (b) Except in the case of a wilfully false or fraudulent return with
2795 intent to evade the tax, no assessment of additional tax with respect to
2796 any return shall be made after the expiration of more than three years
2797 from the date of the filing of such return or from the original due date
2798 of such return, whichever is later. If no return has been filed as
2799 provided in this chapter the commissioner may make such return at
2800 any time thereafter, according to the best information obtainable and
2801 according to the form prescribed. [To] There shall be added to the tax

2802 imposed upon the basis of such return [, there shall be added] an
2803 amount equal to ten per cent of such tax, or fifty dollars, whichever is
2804 greater. The tax shall bear interest at the rate of one per cent per month
2805 or fraction thereof from the due date of such tax to the date of
2806 payment. If, prior to the expiration of the period prescribed in this
2807 section for the assessment of additional tax, a taxpayer has consented
2808 in writing that such period may be extended, the amount of such
2809 additional tax due may be determined at any time within such
2810 extended period. Any such extended period may be further extended
2811 by consent in writing before the expiration of such extended period.

2812 (c) If, upon request by the commissioner or the commissioner's
2813 authorized agent, a distributor or an unclassified importer fails to
2814 immediately produce or immediately provide electronic access to the
2815 records required under subsection (a) of this section, such distributor
2816 or importer shall be subject to a civil penalty of one thousand dollars
2817 per day until the date such records are produced or electronic access is
2818 provided to the commissioner. Subject to the provisions of section 12-
2819 3a, the commissioner may waive all or part of the penalty provided
2820 under this subsection when it is proven to the commissioner's
2821 satisfaction that the failure to immediately produce or immediately
2822 provide electronic access to such records was due to reasonable cause.

2823 Sec. 32. Section 12-408c of the general statutes is repealed and the
2824 following is substituted in lieu thereof (*Effective from passage*):

2825 (a) (1) Whenever any person carrying on a trade, occupation,
2826 business or profession in this state purchases from a retailer tangible
2827 personal property for use or consumption in carrying on such trade,
2828 occupation, business or profession, (A) for purposes of subsequently
2829 transporting such property outside this state by common or contract
2830 carrier for use or consumption thereafter solely outside this state, or
2831 (B) for the purpose of being processed, fabricated or manufactured
2832 into, attached to or incorporated into, other tangible personal property
2833 to be transported outside this state by common or contract carrier [.]
2834 and thereafter used or consumed solely outside this state, such person

2835 may claim a refund of the taxes imposed by this chapter on the
2836 purchase of such property. A claim for refund of the taxes imposed by
2837 this chapter on all such purchases of property during the calendar year
2838 may be filed, along with substantiating documentation, annually with
2839 the Commissioner of Revenue Services on a form prepared for such
2840 purpose by the commissioner not later than the first day of the fourth
2841 month next succeeding the end of the calendar year for which such
2842 claim is filed.

2843 (2) The commissioner shall make a determination as to any such
2844 claim not later than ninety days after receipt thereof and, if approved,
2845 transmit such approval to the State Comptroller who shall draw his or
2846 her order on the State Treasurer for payment of such refund. If the
2847 commissioner determines that such claim is not valid, either in whole
2848 or in part, notice of the proposed disallowance shall be mailed to the
2849 claimant and such notice shall set forth briefly the commissioner's
2850 findings of fact and the basis of disallowance in each case decided in
2851 whole or in part adversely to the claimant. Sixty days after the date on
2852 which it is mailed, a notice of proposed disallowance shall constitute a
2853 final disallowance except for such amounts as to which the claimant
2854 has filed, as provided in subdivision (3) of this subsection, a written
2855 protest with the commissioner.

2856 (3) [Within] Not later than sixty days after the mailing of a proposed
2857 disallowance, the claimant may file with the commissioner a written
2858 protest against the proposed disallowance in which the claimant shall
2859 set forth the grounds on which the protest is based. If a protest is filed,
2860 the commissioner shall reconsider the proposed disallowance and, if
2861 the claimant has so requested, may grant or deny the claimant or the
2862 claimant's authorized representatives an oral hearing.

2863 (4) Notice of the commissioner's determination shall be mailed to
2864 the claimant and such notice shall set forth briefly the commissioner's
2865 findings of fact and the basis of decision in each case decided in whole
2866 or in part adversely to the claimant.

2867 (5) The action of the commissioner on the claimant's protest shall be
2868 final upon the expiration of one month from the date on which [he] the
2869 commissioner mails notice of his action to the claimant unless, within
2870 such period, the claimant seeks judicial review of the commissioner's
2871 determination pursuant to section 12-422.

2872 (6) The commissioner may, at any time within three years after the
2873 date of receipt of such claim for refund, examine such claim and
2874 supporting documentation and, [in the case of] if any error is disclosed
2875 by such examination, mail a notice of assessment in the manner
2876 provided in section 12-415 as if a return had been filed with which the
2877 commissioner was not satisfied. In such event, the claimant may
2878 petition for reassessment in the time and manner provided in section
2879 12-418. The order or decision of the commissioner upon the petition for
2880 reassessment shall be subject to judicial review in the time and manner
2881 provided in section 12-422.

2882 (b) (1) Whenever any holder of a permit issued under this
2883 subsection purchases from a retailer tangible personal property for use
2884 or consumption in carrying on the trade, occupation, business or
2885 profession of such person, (A) for the purpose of subsequently
2886 transporting it outside this state for use or consumption thereafter
2887 solely outside this state, or (B) for the purpose of being processed,
2888 fabricated or manufactured into, attached to or incorporated into, other
2889 tangible personal property to be transported outside this state and
2890 thereafter used or consumed solely outside this state, such holder may
2891 purchase such property without payment of the taxes otherwise
2892 imposed by this chapter on the purchase of such property.

2893 (2) The Commissioner of Revenue Services may [pursuant to
2894 regulations adopted in accordance with chapter 54] issue a permit to
2895 any person carrying on a trade, occupation, business or profession in
2896 this state who purchases from a retailer tangible personal property for
2897 use or consumption in carrying on such trade, occupation, business or
2898 profession, (A) for the purpose of subsequently transporting it outside
2899 this state for use or consumption thereafter solely outside this state, or

2900 (B) for the purpose of being processed, fabricated or manufactured
2901 into, attached to or incorporated into, other tangible personal property
2902 to be transported outside this state and thereafter used or consumed
2903 solely outside this state, if the commissioner determines that the
2904 person is carrying on a trade, occupation, business or profession in this
2905 state and is filing the returns required to be filed by such person under
2906 section 12-414, as amended by this act, and that the enforcement of the
2907 provisions of this chapter shall not be adversely affected.

2908 (3) The permit issued under subdivision (2) of this subsection shall
2909 authorize the holder to the extent and in the manner specified [in the
2910 regulations adopted under said subdivision (2),] by the commissioner
2911 to purchase tangible personal property from a retailer on which the
2912 taxes imposed by this chapter shall not be payable. The [regulations
2913 adopted under this subsection] commissioner shall require (A) a
2914 declaration, prescribed as to form by the commissioner and bearing
2915 notice to the effect that false statements made in such declaration are
2916 punishable, stating that such property is purchased for a purpose
2917 permitted by this subsection, (B) a report to be submitted with, and to
2918 be a part of, each return that is required to be filed under section 12-
2919 414, as amended by this act, by the holder of such permit, detailing the
2920 persons from whom such tangible personal property was purchased
2921 during the period covered by such return, the quantities in which and
2922 the dates on which such property was purchased and any other
2923 information deemed necessary by the commissioner, and (C) periodic
2924 registration, at least annually, for the purpose of the issuance of a
2925 permit, [including] and the commissioner shall establish procedures
2926 relating to the application for the permit and notice concerning the
2927 penalty for misuse of the permit.

2928 Sec. 33. Subdivision (1) of section 12-411 of the general statutes is
2929 repealed and the following is substituted in lieu thereof (*Effective from*
2930 *passage*):

2931 (1) (A) An excise tax is hereby imposed on the storage, acceptance,
2932 consumption or any other use in this state of tangible personal

2933 property purchased from any retailer for storage, acceptance,
2934 consumption or any other use in this state, the acceptance or receipt of
2935 any services constituting a sale in accordance with subdivision (2) of
2936 subsection (a) of section 12-407, as amended by this act, purchased
2937 from any retailer for consumption or use in this state, or the storage,
2938 acceptance, consumption or any other use in this state of tangible
2939 personal property which has been manufactured, fabricated,
2940 assembled or processed from materials by a person, either within or
2941 without this state, for storage, acceptance, consumption or any other
2942 use by such person in this state, to be measured by the sales price of
2943 materials, at the rate of six and thirty-five-hundredths per cent of the
2944 sales price of such property or services, except, in lieu of said rate of six
2945 and thirty-five-hundredths per cent;

2946 (B) At a rate of fifteen per cent of the rent paid for occupancy of any
2947 room or rooms in a hotel or lodging house for the first period of not
2948 more than thirty consecutive calendar days;

2949 (C) With respect to the storage, acceptance, consumption or use in
2950 this state of a motor vehicle purchased from any retailer for storage,
2951 acceptance, consumption or use in this state by any individual who is a
2952 member of the armed forces of the United States and is on full-time
2953 active duty in Connecticut and who is considered, under 50 App USC
2954 574, a resident of another state, or to any such individual and the
2955 spouse of such individual at a rate of four and one-half per cent of the
2956 sales price of such vehicle, provided such retailer requires and
2957 maintains a declaration by such individual, prescribed as to form by
2958 the commissioner and bearing notice to the effect that false statements
2959 made in such declaration are punishable, or other evidence,
2960 satisfactory to the commissioner, concerning the purchaser's state of
2961 residence under 50 App USC 574;

2962 (D) (i) With respect to the acceptance or receipt in this state of labor
2963 that is otherwise taxable under subparagraph (C) or (G) of subdivision
2964 (2) of subsection (a) of section 12-407, as amended by this act, on
2965 existing vessels and repair or maintenance services on vessels

2966 occurring on and after July 1, 1999, such services shall be exempt from
2967 such tax;

2968 (ii) With respect to the storage, acceptance or other use of a vessel in
2969 this state, such storage, acceptance or other use shall be exempt from
2970 such tax, provided such vessel is docked in this state for sixty or fewer
2971 days in a calendar year;

2972 (E) (i) With respect to the acceptance or receipt in this state of
2973 computer and data processing services purchased from any retailer for
2974 consumption or use in this state occurring on or after July 1, 1997, and
2975 prior to July 1, 1998, at the rate of five per cent of such services, on or
2976 after July 1, 1998, and prior to July 1, 1999, at the rate of four per cent of
2977 such services, on or after July 1, 1999, and prior to July 1, 2000, at the
2978 rate of three per cent of such services, on or after July 1, 2000, and prior
2979 to July 1, 2001, at the rate of two per cent of such services, on and after
2980 July 1, 2001, at the rate of one per cent of such services, and (ii) with
2981 respect to the acceptance or receipt in this state of Internet access
2982 services, on or after July 1, 2001, such services shall be exempt from
2983 tax;

2984 (F) With respect to the acceptance or receipt in this state of patient
2985 care services purchased from any retailer for consumption or use in
2986 this state for which payment is received by the hospital on or after July
2987 1, 1999, and prior to July 1, 2001, at the rate of five and three-fourths
2988 per cent and on and after July 1, 2001, such services shall be exempt
2989 from such tax;

2990 (G) With respect to the rental or leasing of a passenger motor
2991 vehicle for a period of thirty consecutive calendar days or less, at a rate
2992 of nine and thirty-five-hundredths per cent;

2993 (H) With respect to the sale of (i) a motor vehicle for a sales price
2994 exceeding fifty thousand dollars, at a rate of seven and three-fourths
2995 per cent on the entire sales price, (ii) jewelry, whether real or imitation,
2996 for a sales price exceeding five thousand dollars, at a rate of seven and
2997 three-fourths per cent on the entire sales price, and (iii) an article of

2998 clothing or footwear intended to be worn on or about the human body,
2999 a handbag, luggage, umbrella, wallet or watch for a sales price
3000 exceeding one thousand dollars, at a rate of seven and three-fourths
3001 per cent on the entire sales price. For purposes of this subparagraph,
3002 "motor vehicle" has the meaning provided in section 14-1, but does not
3003 include a motor vehicle subject to the provisions of subparagraph (C)
3004 of this subdivision, a motor vehicle having a gross vehicle weight
3005 rating over twelve thousand five hundred pounds, or a motor vehicle
3006 having a gross vehicle weight rating of twelve thousand five hundred
3007 pounds or less that is not used for private passenger purposes, but is
3008 designed or used to transport merchandise, freight or persons in
3009 connection with any business enterprise and issued a commercial
3010 registration or more specific type of registration by the Department of
3011 Motor Vehicles; [and]

3012 (I) For calendar quarters ending on or after September 30, 2011,
3013 except for calendar quarters ending on or after July 1, 2016, but prior to
3014 July 1, 2017, the commissioner shall deposit into the regional planning
3015 incentive account, established pursuant to section 4-66k, six and seven-
3016 tenths per cent of the amounts received by the state from the tax
3017 imposed under subparagraph (B) of this subdivision and ten and
3018 seven-tenths per cent of the amounts received by the state from the tax
3019 imposed under subparagraph (G) of this subdivision;

3020 (J) (i) Notwithstanding the provisions of this section, for calendar
3021 months commencing on or after May 1, 2016, but prior to July 1, 2016,
3022 the commissioner shall deposit into the municipal revenue sharing
3023 account, established pursuant to section 4-66l, four and seven-tenths
3024 per cent of the amounts received by the state from the tax imposed
3025 under subparagraph (A) of this subdivision and shall transfer any
3026 accrual related to such months on or after July 1, 2016;

3027 (ii) For calendar months commencing on or after July 1, 2017, the
3028 commissioner shall deposit into said municipal revenue sharing
3029 account seven and nine-tenths per cent of the amounts received by the
3030 state from the tax imposed under subparagraph (A) of this

3031 subdivision;

3032 (K) (i) Notwithstanding the provisions of this section, for calendar
3033 months commencing on or after December 1, 2015, but prior to October
3034 1, 2016, the commissioner shall deposit into the Special Transportation
3035 Fund, established pursuant to section 13b-68, four and seven-tenths
3036 per cent of the amounts received by the state from the tax imposed
3037 under subparagraph (A) of this subdivision;

3038 (ii) For calendar months commencing on or after October 1, 2016,
3039 but prior to July 1, 2017, the commissioner shall deposit into said
3040 Special Transportation Fund six and three-tenths per cent of the
3041 amounts received by the state from the tax imposed under
3042 subparagraph (A) of this subdivision; and

3043 (iii) For calendar months commencing on or after July 1, 2017, the
3044 commissioner shall deposit into said Special Transportation Fund
3045 seven and nine-tenths per cent of the amounts received by the state
3046 from the tax imposed under subparagraph (A) of this subdivision.

3047 Sec. 34. (*Effective from passage*) Notwithstanding the provisions of
3048 subparagraph (K) of subdivision (1) of section 12-411 of the general
3049 statutes, as amended by this act, for the fiscal year ending June 30,
3050 2017, the Commissioner of Revenue Services shall reduce each
3051 monthly deposit into the Special Transportation Fund established
3052 pursuant to section 13b-68 of the general statutes by four million one
3053 hundred sixty-six thousand six hundred sixty-seven dollars.

3054 Sec. 35. Section 12-580 of the general statutes is repealed and the
3055 following is substituted in lieu thereof (*Effective from passage*):

3056 This chapter shall be administered by the tax collector of the
3057 municipality. All forms necessary or convenient for the enforcement of
3058 this chapter shall be prescribed by the Commissioner of Revenue
3059 Services and shall be printed and furnished by [said] such tax collector.
3060 The Commissioner of Revenue Services [shall] may adopt and enforce
3061 rules and regulations relating to the administration and enforcement of

3062 this chapter.

3063 Sec. 36. Subdivision (6) of subsection (b) of section 12-711 of the
3064 general statutes is repealed and the following is substituted in lieu
3065 thereof (*Effective from passage*):

3066 (6) For purposes of subparagraph (A) of subdivision (1) of this
3067 subsection, "real property in this state" includes an interest in an entity,
3068 and "entity" means a partnership, limited liability company or S
3069 corporation that owns, directly or indirectly, real property that is
3070 located within this state and has a fair market value that equals or
3071 exceeds fifty per cent of all the assets of the entity on the date of sale or
3072 disposition by a nonresident natural person of such person's interest in
3073 the entity. Only those assets that the entity owned, directly or
3074 indirectly, for at least two years prior to the date of the sale or
3075 disposition of the person's interest in the entity shall be used in
3076 determining the fair market value of all the assets of the entity on the
3077 date of such sale or disposition. The gain or loss derived from
3078 Connecticut sources from such person's sale or disposition of an
3079 interest in such entity is the total gain or loss for federal income tax
3080 purposes from such sale or disposition multiplied by a fraction, the
3081 numerator of which is the fair market value of all real property located
3082 in this state owned, directly or indirectly, by the entity on the date of
3083 such sale or disposition, and the denominator of which is the fair
3084 market value of all the assets of the entity on the date of such sale or
3085 disposition.

3086 Sec. 37. Subsection (a) of section 12-719 of the general statutes is
3087 repealed and the following is substituted in lieu thereof (*Effective from*
3088 *passage*):

3089 (a) The income tax return required under this chapter shall be filed
3090 on or before the fifteenth day of the fourth month following the close
3091 of the taxpayer's taxable year. A person required to make and file a
3092 return shall, without assessment, notice or demand, pay any tax due
3093 thereon to the Commissioner of Revenue Services on or before the date

3094 fixed for filing such return, determined without regard to any
3095 extension of time for filing the return. [The commissioner shall
3096 prescribe by regulation the place for filing any return, declaration,
3097 statement or other document required pursuant to this chapter and for
3098 the payment of any tax.]

3099 Sec. 38. Subsection (a) of section 12-727 of the general statutes is
3100 repealed and the following is substituted in lieu thereof (*Effective from*
3101 *passage and applicable to taxable years commencing on or after January 1,*
3102 *2017*):

3103 (a) [The Commissioner of Revenue Services may adopt regulations
3104 requiring returns] Returns of information [to] shall be made and filed
3105 on or before the last day of [February] January each year by any person
3106 making payment or crediting in [any] the previous calendar year
3107 amounts of six hundred dollars or more, or ten dollars or more in the
3108 case of interest or dividends, to any person who may be subject to the
3109 tax imposed under this chapter. Such returns may be required of any
3110 person, including lessees or mortgagors of real or personal property,
3111 fiduciaries, employers [.] and all officers and employees of this state, or
3112 of any municipal corporation or political subdivision of this state,
3113 having the control, receipt, custody, disposal or payment of dividends,
3114 interest, rents, salaries, wages, premiums, annuities, compensations,
3115 remunerations, pensions, gambling winnings, emoluments or other
3116 fixed or determinable gains, profits or income, except interest coupons
3117 payable to bearer. A duplicate of the statement as to tax withheld on
3118 wages, required to be furnished by an employer to an employee, shall
3119 constitute the return of information required to be made under this
3120 section with respect to such wages. [The commissioner may adopt
3121 regulations providing standards for determining which returns must
3122 be filed on magnetic media or in other machine-readable form.]

3123 Sec. 39. (NEW) (*Effective July 1, 2017, and applicable to waiver requests*
3124 *received on or after July 1, 2017*) To the extent that the Commissioner of
3125 Revenue Services is authorized to waive all or part of a penalty
3126 provided under title 12 of the general statutes, the commissioner shall

3127 not consider any waiver request received more than one year from the
3128 date a notice of such penalty was first sent to the person on whom the
3129 penalty was imposed. For any penalty that is reported by a taxpayer
3130 on a return filed by such taxpayer in accordance with title 12 of the
3131 general statutes, the filing date of such return shall be considered the
3132 date on which the person was notified of such penalty. Nothing in this
3133 section shall extend the date by which a protest or appeal must be filed
3134 in connection with a determination made by the commissioner.

3135 Sec. 40. Subsection (c) of section 16-331cc of the general statutes is
3136 repealed and the following is substituted in lieu thereof (*Effective from*
3137 *passage*):

3138 (c) (1) The account shall be supported solely through a tax equal to
3139 one-half of one per cent of the gross earnings from rendering
3140 community antenna television service, video programming service by
3141 satellite and certified competitive video service in this state for
3142 quarterly periods beginning on or after October 1, 2007, and before
3143 October 1, 2009, and a tax equal to one-quarter of one per cent of the
3144 gross earnings from rendering community antenna television service,
3145 video programming service by satellite and certified competitive video
3146 service in this state for quarterly periods beginning on or after October
3147 1, 2009, by each person operating a community antenna television
3148 system under this chapter or a certified competitive video service
3149 pursuant to sections 16-331e to 16-331p, inclusive, and each person
3150 operating a business that provides one-way transmission to
3151 subscribers of video programming by satellite. Such tax for a quarterly
3152 period shall be remitted to the Department of Revenue Services, on or
3153 before the last day of the month next succeeding the quarterly period,
3154 on a form prescribed by the Commissioner of Revenue Services, which
3155 form shall be signed by the person performing the duties of treasurer
3156 or an authorized agent or officer. For the purposes of this section, gross
3157 earnings in this state shall be determined in a manner consistent with
3158 chapter 211.

3159 (2) The amount of any tax due and unpaid under this section shall

3160 be subject to the penalties and interest established in [section] sections
3161 12-268d [and the] and 12-268e, and the taxpayer from which such tax is
3162 due and unpaid shall be subject to the administrative provisions of
3163 sections 12-268f, 12-268g, 12-268i and 12-268l. The amount of any tax,
3164 penalty or interest due and unpaid under this section may be collected
3165 under the provisions of section 12-35, as amended by this act.

3166 Sec. 41. Subsection (a) of section 53-394 of the general statutes is
3167 repealed and the following is substituted in lieu thereof (*Effective July*
3168 *1, 2017*):

3169 (a) "Racketeering activity" means to commit, to attempt to commit,
3170 to conspire to commit, or to intentionally aid, solicit, coerce or
3171 intimidate another person to commit any crime which, at the time of its
3172 commission, was a felony chargeable by indictment or information
3173 under the following provisions of the general statutes then applicable:
3174 (1) Sections 53-278a to 53-278f, inclusive, relating to gambling activity;
3175 (2) chapter 949a, relating to extortionate credit transactions; (3) chapter
3176 952, part IV, relating to homicide; (4) chapter 952, part V, relating to
3177 assault, except assault with a motor vehicle as defined in section 53a-
3178 60d; (5) sections 53a-85 to 53a-88, inclusive, relating to prostitution; (6)
3179 chapter 952, part VII, relating to kidnapping; (7) chapter 952, part VIII,
3180 relating to burglary, arson and related offenses; (8) chapter 952, part
3181 IX, relating to larceny, robbery and related offenses; (9) chapter 952,
3182 part X, relating to forgery and related offenses; (10) chapter 952, part
3183 XI, relating to bribery and related offenses; (11) chapter 952, part XX,
3184 relating to obscenity and related offenses; (12) chapter 952, part XIX,
3185 relating to coercion; (13) sections 53-202, 53-206, 53a-211 and 53a-212,
3186 relating to weapons and firearms; (14) section 53-80a, relating to the
3187 manufacture of bombs; (15) sections 36b-2 to 36b-34, inclusive, relating
3188 to securities fraud and related offenses; (16) sections 21a-277, 21a-278
3189 and 21a-279, relating to drugs; (17) section 22a-131a, relating to
3190 hazardous waste; (18) chapter 952, part XXIII, relating to money
3191 laundering; (19) section 53a-192a, relating to trafficking in persons; or
3192 (20) subdivision (1) of subsection (b) of section 12-304 or section 12-308,
3193 relating to cigarettes, or subsection (c) of section 12-330f or subsection

3194 (b) of section 12-330j, relating to tobacco products.

3195 Sec. 42. (NEW) (*Effective July 1, 2017*) There is established an account
3196 to be known as the "mental health community investment account"
3197 which shall be a separate, nonlapsing account within the General
3198 Fund. The account shall contain any moneys required by law to be
3199 deposited in the account. Moneys in the account shall be expended by
3200 the Commissioner of Mental Health and Addiction Services, in
3201 consultation with nonprofit mental health organizations, for the
3202 purposes of improving services and programs in the state, including,
3203 but not limited to, residential services, job training and placement
3204 services, educational programs and support groups, designed to
3205 support individuals diagnosed with mental health conditions.

3206 Sec. 43. Section 12-743 of the general statutes is repealed and the
3207 following is substituted in lieu thereof (*Effective July 1, 2017*):

3208 (a) Any taxpayer filing a return under this chapter may contribute
3209 any part of a refund under this chapter to (1) the organ transplant
3210 account established pursuant to section 17b-288, (2) the AIDS research
3211 education account established pursuant to section 19a-32a, (3) the
3212 endangered species, natural area preserves and watchable wildlife
3213 account established pursuant to section 22a-27l, (4) the breast cancer
3214 research and education account established pursuant to section 19a-
3215 32b, (5) the safety net services account established pursuant to section
3216 17b-112f, [or] (6) an individual savings plan established under the
3217 Connecticut Higher Education Trust established pursuant to sections
3218 3-22f to 3-22p, inclusive, or to the CHET Baby Scholars fund
3219 established pursuant to section 3-22u, or (7) the mental health
3220 community investment account established pursuant to section 42 of
3221 this act. Such contribution shall be made by indicating on the tax
3222 return, in a manner provided for by the Commissioner of Revenue
3223 Services pursuant to subsection (b) of this section, the amount to be
3224 contributed to the account.

3225 (b) (1) The Commissioner of Revenue Services shall revise the tax

3226 return form to implement the provisions of subsection (a) of this
3227 section, which form shall include spaces on the return in which
3228 taxpayers may indicate their intention to make a contribution, in a
3229 whole dollar amount, in accordance with this section. The
3230 commissioner shall include in the instructions accompanying the tax
3231 return a description of the purposes for which the [organ transplant
3232 account, the AIDS research education account, the endangered species,
3233 natural area preserves and watchable wildlife account, the breast
3234 cancer research and education account, the safety net services account
3235 and the Connecticut Higher Education Trust] accounts and funds set
3236 forth in subsection (a) of this section were created.

3237 (2) For purposes of facilitating the registration of a taxpayer as an
3238 organ donor, the commissioner shall include information in the
3239 instructions accompanying the tax return that (A) indicates the manner
3240 by which a taxpayer may contact an organ donor registry organization,
3241 or (B) provides electronic links to appropriate organ donor registry
3242 organizations for such purpose.

3243 (3) For purposes of facilitating the participation of a taxpayer in the
3244 Connecticut Higher Education Trust and the CHET Baby Scholars
3245 fund, the commissioner shall include spaces on the return, as provided
3246 in subdivision (1) of this subsection as follows: (A) There shall be a
3247 space indicating a taxpayer's intention to contribute any part of a
3248 refund to someone known to the taxpayer who is a designated
3249 beneficiary, as defined in section 3-22f, including a space for the
3250 taxpayer to provide the name and Social Security number of such
3251 designated beneficiary; and (B) there shall be a space indicating a
3252 taxpayer's intention to contribute any part of a refund to the CHET
3253 Baby Scholars fund, including a description of such fund and a
3254 statement that such contribution shall not benefit a specific child. The
3255 commissioner shall include information in the instructions
3256 accompanying the tax return that indicates the manner by which the
3257 taxpayer may contact the administrator of the Connecticut Higher
3258 Education Trust and the CHET Baby Scholars fund, or provides
3259 electronic links to such administrator for such purpose.

3260 (c) A designated contribution of all or part of any refund shall be
3261 irrevocable upon the filing of the return and shall be made in the full
3262 amount designated if the refund found due the taxpayer upon the
3263 initial processing of the return, and after any deductions required by
3264 this chapter, is greater than or equal to the designated contribution. If
3265 the refund due, as determined upon initial processing, and after any
3266 deductions required by this chapter, is less than the designated
3267 contribution, the contribution shall be made in the full amount of the
3268 refund. The Commissioner of Revenue Services shall subtract the
3269 amount of any contribution of all or part of any refund from the
3270 amount of the refund initially found due the taxpayer and shall certify
3271 the difference to the Secretary of the Office of Policy and Management
3272 and the Treasurer for payment to the taxpayer in accordance with this
3273 chapter. For the purposes of any subsequent determination of the
3274 taxpayer's net tax payment, such contribution shall be considered a
3275 part of the refund paid to the taxpayer.

3276 (d) Except for any funds collected for purposes of subdivision (6) of
3277 subsection (a) of this section, the Commissioner of Revenue Services,
3278 after notification of and approval by the Secretary of the Office of
3279 Policy and Management, may deduct and retain from the remaining
3280 funds so collected an amount equal to the costs of implementing this
3281 section and sections 17b-288, 19a-32a, 22a-27l, 19a-32b and 17b-112f but
3282 not to exceed seven and one-half per cent of the funds contributed in
3283 any fiscal year and in no event shall exceed the total cost of
3284 implementation of said sections.

3285 Sec. 44. Subdivision (1) of section 12-430 of the general statutes is
3286 repealed and the following is substituted in lieu thereof (*Effective from*
3287 *passage*):

3288 (1) [The commissioner, whenever he deems it necessary to insure
3289 compliance with this chapter,] Whenever any person (A) owes taxes
3290 under this chapter, which taxes have been finally due and payable for
3291 a period of ninety days or longer and for which any administrative or
3292 judicial remedies, or both, have been exhausted or have lapsed, or (B)

3293 has failed to file three or more returns required to be filed with the
3294 commissioner under this chapter, the commissioner may require any
3295 such person [subject thereto] to deposit with [him] the commissioner
3296 such security as the commissioner determines. The amount of the
3297 security shall be fixed by the commissioner but shall not be greater
3298 than six times the person's estimated average liability for the period for
3299 which [he] such person files returns, determined in such manner as the
3300 commissioner deems proper. The amount of the security may be
3301 increased or decreased by the commissioner subject to the limitations
3302 herein provided. The commissioner may sell the security at public
3303 auction if it becomes necessary so to do in order to recover any tax or
3304 any amount required to be collected, or any interest or penalty due.
3305 Notice of the sale may be served upon the person who deposited the
3306 security personally or by mail. If by mail, service shall be made in the
3307 manner prescribed for service of a notice of a deficiency assessment
3308 and shall be addressed to the person at [his] the person's address as it
3309 appears in the records of the commissioner's office. [Security in the
3310 form of a bearer bond, issued by the United States or the state of
3311 Connecticut, which has a prevailing market price may, however, be
3312 sold by the commissioner at private sale at a price not lower than the
3313 prevailing market price thereof.] Upon any sale any surplus above the
3314 amounts due shall be returned to the person who deposited the
3315 security.

3316 Sec. 45. Section 12-555 of the general statutes is repealed and the
3317 following is substituted in lieu thereof (*Effective from passage*):

3318 [The commissioner, whenever he deems it necessary to insure
3319 compliance with this chapter,] Whenever any person (1) owes taxes
3320 under this chapter, which taxes have been finally due and payable for
3321 a period of ninety days or longer and for which any administrative or
3322 judicial remedies, or both, have been exhausted or have lapsed, or (2)
3323 has failed to file three or more returns required to be filed with the
3324 commissioner under this chapter, the commissioner may require any
3325 such person [subject thereto] to deposit with [him] the commissioner
3326 such security as the commissioner determines. The amount of the

3327 security shall be fixed by the commissioner but shall not be greater
3328 than six times the person's estimated average liability for the period for
3329 which [he] such person files returns, determined in such manner as the
3330 commissioner deems proper. The amount of the security may be
3331 increased or decreased by the commissioner subject to the limitations
3332 herein provided. The commissioner may sell the security at public
3333 auction if it becomes necessary so to do in order to recover any tax or
3334 any amount required to be collected, or any interest or penalty due.
3335 Notice of the sale may be served upon the person who deposited the
3336 security personally or by mail. If by mail, service shall be made in the
3337 manner prescribed for service of a notice of a deficiency assessment
3338 and shall be addressed to the person at [his] the person's address as it
3339 appears in the records of the commissioner's office. [Security in the
3340 form of a bearer bond, issued by the United States or the state of
3341 Connecticut, which has a prevailing market price may, however, be
3342 sold by the commissioner at private sale at a price not lower than the
3343 prevailing market price thereof.] Upon any sale any surplus above the
3344 amounts due shall be returned to the person who deposited the
3345 security.

3346 Sec. 46. (NEW) (*Effective July 1, 2017*) If the commissioner provides
3347 written notice to a person specifying a deadline by which such person
3348 is required to produce books, papers or records for examination or
3349 investigation under subdivision (4) of section 12-426 of the general
3350 statutes or file an information report under subdivision (5) of said
3351 section, and such person fails to comply by such deadline, the
3352 commissioner may impose on such person a civil penalty of five
3353 hundred dollars per violation. Each distinct violation of said
3354 subdivision (4) or (5) shall be a separate offense and, in the case of a
3355 continued violation, each day thereof shall be deemed a separate
3356 offense. Any penalty imposed under the provisions of this subsection
3357 may be collected under the provisions of section 12-35 of the general
3358 statutes, as amended by this act.

3359 Sec. 47. Section 7-370c of the general statutes is repealed and the
3360 following is substituted in lieu thereof (*Effective July 1, 2017*):

3361 (a) Any municipality, as defined in section 7-369, which has issued
3362 bonds, notes or other obligations pursuant to any public or special act
3363 may issue refunding bonds for the purpose of paying, funding or
3364 refunding prior to maturity all or any part of such municipality's
3365 bonds, notes or other obligations, the redemption premium, if any,
3366 with respect thereto, the interest thereon, the costs with respect to the
3367 issuance of such refunding bonds and the payment of such refunded
3368 bonds, notes or other obligations. Such refunding bonds shall mature
3369 not later than (1) in the case of a single series of bonds, notes or other
3370 obligations being refunded, the final maturity date thereof; and (2) in
3371 the case of multiple series of bonds, notes or other obligations being
3372 refunded, the final maturity date of any such series last to occur.

3373 (b) (1) Notwithstanding the provisions of subdivisions (1) and (2) of
3374 subsection (a) of this section and contingent on the passage of a
3375 resolution by a two-thirds vote of the legislative body of the
3376 municipality, any such refunding bonds issued on or after July 1, 2017,
3377 but prior to July 1, 2022, shall mature not later than thirty years from
3378 the date of the issuance of such refunding bonds.

3379 (2) Refunding bonds issued pursuant to subdivision (1) of this
3380 subsection may be secured by a statutory lien, if provided for in such
3381 resolution, on all revenues received by the municipality from its tax
3382 levy and collection. Such lien shall arise by operation of this
3383 subdivision automatically without any further action or authorization
3384 by the municipality and such revenues shall be immediately subject to
3385 the lien. The lien shall immediately attach to such revenues and be
3386 valid and binding as against the municipality, its successors,
3387 transferees and creditors and all other parties asserting rights to such
3388 revenues, without any physical delivery, recordation or filing of the
3389 lien or further act, irrespective of whether such successors, transferees,
3390 creditors or other parties have notice of the lien.

3391 (c) Notwithstanding the provisions of the general statutes or any
3392 special act, local law or charter governing the authorization and
3393 issuance of bonds, notes or other obligations and the appropriation of

3394 the proceeds thereof, such refunding bonds shall be authorized, and
3395 the proceeds appropriated for the purposes permitted under this
3396 section, by resolution of the legislative body of the municipality, and
3397 shall be subject to the same limitations and requirements as bonds
3398 issued pursuant to this chapter, provided the provisions of section
3399 7-371, as amended by this act, regarding limitations on the date of the
3400 first maturity, or on the amount of any principal or on any principal
3401 and interest installments on any bonds, shall not apply to refunding
3402 bonds issued (1) under subsection (b) of this section, or (2) under
3403 subsection (a) of this section [which shall] that achieve net present
3404 value savings after comparing total debt service payable on the
3405 refunding bonds to the total debt service payable on the refunded
3406 bonds, after accounting for costs of issuance and underwriters'
3407 discount.

3408 (d) As used in this section, "legislative body" means [(A)] (1) the
3409 board of selectmen in a town that does not have a charter, special act
3410 or home rule ordinance relating to its government, [(B)] (2) the council,
3411 board of aldermen, representative town meeting, board of selectmen or
3412 other elected legislative body described in a charter, special act or
3413 home rule ordinance relating to government in a city, consolidated
3414 town and city, consolidated town and borough or a town having a
3415 charter, special act, consolidation ordinance or home rule ordinance
3416 relating to its government, [(C)] (3) the board of burgesses or other
3417 elected legislative body in a borough, or [(D)] (4) the district committee
3418 or other elected legislative body in a district, metropolitan district or
3419 other municipal corporation.

3420 Sec. 48. Section 7-371 of the general statutes is repealed and the
3421 following is substituted in lieu thereof (*Effective July 1, 2017*):

3422 Unless otherwise provided by the general statutes or any special act,
3423 bonds issued by any municipality, as defined in section 7-369, by
3424 authority of any provision of the general statutes or of any special act
3425 shall be serial bonds maturing in annual or semiannual installments of
3426 principal that shall substantially equalize the aggregate amount of

principal and interest due in each annual period commencing with the first annual period in which an installment of principal is due, or maturing in annual or semiannual installments of principal no one of which shall exceed by more than fifty per cent the amount of any prior installment, or shall be term bonds with mandatory deposit of sinking fund payments into a sinking fund of amounts sufficient to redeem or amortize the principal of the bonds in annual or semiannual installments that shall substantially equalize the aggregate amount of principal redeemed or amortized and interest due in each annual period commencing with the first annual period in which a mandatory sinking fund payment becomes due, or sufficient to redeem or amortize the principal of the bonds in annual or semiannual installments no one of which shall exceed by more than fifty per cent the amount of any prior installment. The first installment of any series of bonds shall mature or the first sinking fund payment of any series of bonds shall be due not later than three years from the date of the issue of such series and the last installment of such series shall mature or the last sinking fund payment of such series shall be due not later than twenty years therefrom, except that for bonds issued on or after July 1, 2017, but prior to July 1, 2022, the last installment of such series shall mature or the last sinking fund payment of such series shall be due not later than thirty years from the date of the issue of such series.

Sec. 49. Section 7-560 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

Whenever used in subsection (a) of section 7-394b and sections 7-560 to 7-579, inclusive, the following definitions shall apply:

(1) "Attorney General" means the Attorney General of the state of Connecticut.

(2) "Certified municipality" means a tier I or tier II municipality.

(3) "Chief executive officer" means the officer described in section 7-193.

3458 (4) "Debt service payment fund" means the fund into which the
3459 proceeds of the property tax intercept procedure are deposited and
3460 from which debt service on all outstanding general obligations of a
3461 municipality which have a term of more than one year and
3462 additionally all outstanding general obligations which the
3463 municipality determines are to be supported by the tax intercept
3464 procedure shall be paid as provided in subsection (a) of section 7-394b
3465 and sections 7-560 to 7-579, inclusive.

3466 (5) "Debt service payment fund requirement" means an amount at
3467 least equal to the aggregate amount of principal, sinking fund
3468 installments, if any, and interest during the then current fiscal year as
3469 the same become due and payable on all outstanding general
3470 obligations of the municipality which have a term of more than one
3471 year and additionally all outstanding general obligations which the
3472 municipality determines are to be supported by the tax intercept
3473 procedure.

3474 (6) "Deficit" means with respect to the general fund of any
3475 municipality, any cumulative excess of expenditures, encumbrances,
3476 or other uses of funds for any fiscal year and all prior fiscal years over
3477 revenues of the municipality for such period and the prior year's
3478 [undesigned] unassigned fund balance, as reflected in the most
3479 recent audited financial statements of such municipality. For purposes
3480 of determining such excess, revenues shall not include the proceeds of
3481 tax anticipation notes and expenditures shall not include any principal
3482 payment of tax anticipation notes.

3483 (7) "Deficit obligation" means any general obligation with a term of
3484 more than one year or any bond or any note issued in anticipation
3485 thereof, issued by a municipality either for the purpose of or having
3486 the effect of reducing, eliminating or preventing a general fund, special
3487 revenue fund or enterprise fund deficiency, other than any obligation
3488 issued pursuant to chapter 110.

3489 (8) "General fund deficiency" means a deficit or a projected fiscal

3490 year deficit, or both.

3491 (9) "General obligation" means an obligation issued by a
3492 municipality and secured by the full faith and credit and taxing power
3493 of such municipality including any contingent obligation which is
3494 payable from the general fund and is subject to annual appropriation.

3495 (10) "Maximum required capital reserve" means the maximum
3496 aggregate amount of principal, interest and other amounts due and
3497 owing during any succeeding fiscal year, excluding any sinking fund
3498 installments payable in a prior fiscal year on outstanding general
3499 obligations of a certified municipality supported by a special capital
3500 reserve fund issued pursuant to subsection (a) of section 7-394b and
3501 sections 7-568 to 7-579, inclusive.

3502 (11) "Minimum required capital reserve" means the aggregate
3503 amount of principal, sinking fund installments, interest and other
3504 amounts due and owing during the next succeeding fiscal year on
3505 outstanding general obligations of a certified municipality supported
3506 by a special capital reserve fund pursuant to subsection (a) of section 7-
3507 394b and sections 7-560 to 7-579, inclusive.

3508 (12) "Municipal Finance Advisory Commission" means the
3509 Municipal Finance Advisory Commission established in section 7-
3510 394b.

3511 (13) "Municipality" means any town, city, borough, consolidated
3512 town and city, consolidated city and borough, any metropolitan
3513 district, any district, as defined in section 7-324, and any other political
3514 subdivision of the state having the power to levy taxes and to issue
3515 bonds, notes or other obligations.

3516 (14) "Obligation" means any bond, bond anticipation note [, tax
3517 anticipation note] or other interim funding obligation, certificate of
3518 participation, security, financing lease, installment purchase
3519 agreements, capital lease, receivable or other asset sale, refinancing
3520 covered by this definition and any other transaction which constitutes

3521 debt in accordance with both municipal reporting standards in section
3522 7-394a and the regulations prescribing municipal financial reporting
3523 adopted by the secretary.

3524 (15) "Outstanding obligation" means any obligation with respect to
3525 which a principal or interest payment, sinking fund installment or
3526 other payment or deposit is, or will be, due in the future and for which
3527 moneys or defeasance securities have not been deposited in escrow.

3528 (16) "Projected fiscal year deficit" means, with respect to the general
3529 fund of any municipality during any fiscal year, the excess of
3530 estimated expenditures and uses of funds for the fiscal year over
3531 estimated revenues and any cumulative [undesigned] unassigned
3532 general fund balance from the prior fiscal year. For purposes of
3533 determining such excess, estimated revenues shall not include the
3534 proceeds of tax anticipation notes and estimated expenditures shall not
3535 include any principal payment of tax anticipation notes.

3536 (17) "Property taxes" means all taxes on real and personal property
3537 levied by the municipality in accordance with the general statutes
3538 including any interest, penalties and other related charges, and shall
3539 not mean any rent, rate, fee, special assessment or other charge based
3540 on benefit or use.

3541 (18) "Property tax intercept procedure" means a procedure where a
3542 municipality provides for the collection and deposit in a debt service
3543 payment fund maintained with a trustee of all property taxes needed
3544 to meet the debt service payment fund requirement and which meets
3545 all the requirements of section 7-562.

3546 (19) "Revenues" means, with respect to the general fund for any
3547 municipality for any fiscal year, property taxes and other moneys that
3548 are generally available for, accounted for and deposited in the
3549 municipality's general fund.

3550 (20) "Secretary" means the Secretary of the Office of Policy and
3551 Management.

3552 (21) "Special capital reserve fund" means the fund established
3553 pursuant to section 7-571 to secure the timely payment of principal and
3554 interest on general obligations issued by a certified municipality
3555 approved by the Treasurer pursuant to section 7-573.

3556 (22) "State" means the state of Connecticut.

3557 (23) "Tier I municipality" means any municipality which has applied
3558 to and been certified by the secretary as a tier I municipality.

3559 (24) "Tier II municipality" means any municipality which has
3560 applied to and been certified by the secretary as a tier II municipality.

3561 (25) "Treasurer" means the Treasurer of the state of Connecticut.

3562 (26) "Trustee" means any trust company or bank having the powers
3563 of a trust company within or without the state, appointed by the
3564 municipality as trustee for the municipality's tax intercept procedure
3565 or special capital reserve fund and approved by the Treasurer, as well
3566 as any successor trust company or bank having the powers of a trust
3567 company within or without the state succeeding a prior trust company
3568 or bank as trustee, so appointed and approved.

3569 Sec. 50. (*Effective from passage*) (a) Notwithstanding the provisions of
3570 subdivision (6) of section 7-560 of the general statutes, as amended by
3571 this act, for purposes of determining the cumulative excess of
3572 expenditures under said subdivision for any fiscal year ending on or
3573 after the effective date of this section and on or before June 30, 2022,
3574 such excess shall not include the impact of any refunding bonds issued
3575 pursuant to section 7-370c of the general statutes, as amended by this
3576 act.

3577 (b) Notwithstanding the provisions of subdivision (16) of section 7-
3578 560 of the general statutes, as amended by this act, for purposes of
3579 determining the excess of estimated expenditures under said
3580 subdivision for any fiscal year ending on or after the effective date of
3581 this section and on or before June 30, 2022, such excess shall not

3582 include the impact of any refunding bonds issued pursuant to section
 3583 7-370c of the general statutes, as amended by this act."

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>July 1, 2018</i> | 12-39h |
| Sec. 2 | <i>July 1, 2017, and applicable to taxable years commencing on or after January 1, 2017</i> | 12-701(a)(20)(A) |
| Sec. 3 | <i>October 1, 2017</i> | 12-409(c) |
| Sec. 4 | <i>January 1, 2018</i> | 12-414 |
| Sec. 5 | <i>October 1, 2017</i> | 12-707 |
| Sec. 6 | <i>January 1, 2018</i> | 12-705 |
| Sec. 7 | <i>January 1, 2018</i> | 12-706 |
| Sec. 8 | <i>January 1, 2018</i> | 12-707(g) |
| Sec. 9 | <i>July 1, 2017, and applicable to information returns due for calendar years commencing on or after January 1, 2017</i> | New section |
| Sec. 10 | <i>July 1, 2017</i> | 12-35(b) |
| Sec. 11 | <i>from passage</i> | 12-3c |
| Sec. 12 | <i>October 1, 2017, and applicable to sales occurring on or after October 1, 2017</i> | 12-408(1)(B) |
| Sec. 13 | <i>October 1, 2017, and applicable to sales occurring on or after October 1, 2017</i> | 12-411(1)(B) |
| Sec. 14 | <i>October 1, 2017, and applicable to sales occurring on or after October 1, 2017</i> | 12-407 |
| Sec. 15 | <i>October 1, 2017</i> | New section |
| Sec. 16 | <i>October 1, 2018</i> | New section |
| Sec. 17 | <i>October 1, 2018</i> | New section |
| Sec. 18 | <i>October 1, 2018</i> | New section |
| Sec. 19 | <i>from passage</i> | 12-7a(b) |

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| Sec. 20 | <i>from passage</i> | 12-15(b) |
| Sec. 21 | <i>from passage</i> | 12-39cc |
| Sec. 22 | <i>from passage</i> | 12-80b |
| Sec. 23 | <i>from passage</i> | 12-213(a)(28) |
| Sec. 24 | <i>from passage, and applicable to income years commencing on or after January 1, 2017</i> | 12-222(b) |
| Sec. 25 | <i>from passage, and applicable to income years commencing on or after January 1, 2017</i> | 12-242d(d) |
| Sec. 26 | <i>October 1, 2017, and applicable to calendar quarters commencing on or after October 1, 2017</i> | 12-263m(a) |
| Sec. 27 | <i>October 1, 2017</i> | 12-264 |
| Sec. 28 | <i>July 1, 2017</i> | 12-294 |
| Sec. 29 | <i>from passage</i> | 12-297 |
| Sec. 30 | <i>July 1, 2017</i> | 12-330b |
| Sec. 31 | <i>October 1, 2017</i> | 12-330i |
| Sec. 32 | <i>from passage</i> | 12-408c |
| Sec. 33 | <i>from passage</i> | 12-411(1) |
| Sec. 34 | <i>from passage</i> | New section |
| Sec. 35 | <i>from passage</i> | 12-580 |
| Sec. 36 | <i>from passage</i> | 12-711(b)(6) |
| Sec. 37 | <i>from passage</i> | 12-719(a) |
| Sec. 38 | <i>from passage and applicable to taxable years commencing on or after January 1, 2017</i> | 12-727(a) |
| Sec. 39 | <i>July 1, 2017, and applicable to waiver requests received on or after July 1, 2017</i> | New section |
| Sec. 40 | <i>from passage</i> | 16-331cc(c) |
| Sec. 41 | <i>July 1, 2017</i> | 53-394(a) |
| Sec. 42 | <i>July 1, 2017</i> | New section |
| Sec. 43 | <i>July 1, 2017</i> | 12-743 |
| Sec. 44 | <i>from passage</i> | 12-430(1) |
| Sec. 45 | <i>from passage</i> | 12-555 |

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| Sec. 46 | <i>July 1, 2017</i> | New section |
| Sec. 47 | <i>July 1, 2017</i> | 7-370c |
| Sec. 48 | <i>July 1, 2017</i> | 7-371 |
| Sec. 49 | <i>from passage</i> | 7-560 |
| Sec. 50 | <i>from passage</i> | New section |